

## COUNCIL MEETING

AUGUST 17, 2016

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Mel Rapozo at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, August 17, 2016 at 8:30 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock  
Honorable Gary L. Hooser (*present at 8:34 a.m.*)  
Honorable Ross Kagawa  
Honorable Arryl Kaneshiro  
Honorable KipuKai Kuali'i (*present at 8:34 a.m.*)  
Honorable JoAnn A. Yukimura (*present at 8:32 a.m.*)  
Honorable Mel Rapozo

### APPROVAL OF AGENDA.

Councilmember Kaneshiro moved for approval of the agenda as circulated, seconded by Councilmember Chock, and carried by a vote of 4:0:3 (*Councilmembers Hooser, Kuali'i, and Yukimura were excused*).

### MINUTES of the following meeting of the Council:

July 20, 2016 Council Meeting

Councilmember Kaneshiro moved to approve the Minutes as circulated, seconded by Councilmember Chock, and carried by a vote of 4:0:3 (*Councilmembers Hooser, Kuali'i, and Yukimura were excused*).

### CONSENT CALENDAR:

C 2016-181 Communication (08/05/2016) from the Housing Director, transmitting for Council consideration, the County Housing Agency's 201H-38 (Hawai'i Revised Statutes) Exemption Application for the Lima Ola Workforce Housing Project and related improvements on County-owned lands in 'Ele'ele, Kaua'i, for the development of affordable housing for Kaua'i residents: Councilmember Chock moved to receive C 2016-181 for the record, seconded by Councilmember Kaneshiro, and carried by a vote of 4:0:3 (*Councilmembers Hooser, Kuali'i, and Yukimura were excused*).

C 2016-182 Communication (08/05/2016) from Council Chair Rapozo, transmitting for Council consideration, a Resolution Reaffirming Council Policy To Acquire Land For The Development Of Affordable Housing: Councilmember Chock moved to receive C 2016-182 for the record, seconded by Councilmember Kaneshiro, and carried by a vote of 4:0:3 (*Councilmembers Hooser, Kuali'i, and Yukimura were excused*).

Council Chair Rapozo: Can we go to C 2016-184, please?

There being no objections, C 2016-184 was taken out of the order.

#### COMMUNICATIONS:

C 2016-184 Communication (07/29/2016) from the Mayor, requesting agenda time for representatives of Smith Dawson & Andrews, Inc., to present a recap of the services and activities they provided to the County of Kaua'i during the past year as part of their professional services contract: Councilmember Kaneshiro moved to receive C 2016-184 for the record, seconded by Councilmember Chock.

*(Councilmember Yukimura was noted as present.)*

Council Chair Rapozo: Thank you very much. With that, I will suspend the rules with no objection. Welcome back to Kaua'i.

There being no objections, the rules were suspended.

JIM SMITH, President of Smith Dawson & Andrews, Inc.: Good morning. Thank you, Chair and Members of the Council. It is nice to see you again and it is an honor to be here. I am joined today by my partner and colleague, Mary Cronin.

Council Chair Rapozo: Can you please state your name?

*(Councilmembers Hooser and Kuali'i were noted as present.)*

Mr. Smith: I am sorry. My name is Jim Smith. I am the president of Smith Dawson & Andrews, Inc. Mary Cronin is the Managing Director of Smith Dawson & Andrews, Inc. from Washington, D.C. Again, thank you for the opportunity to be here this morning. This is part of our annual visit that we make to Kaua'i every year to come back and meet with you all on the Council, with the Mayor and his staff, and the department heads, to identify projects for federal opportunity and to assist the County in putting together an annual federal agenda and to identify grant opportunities to fund local projects. This year has been a very good year and a successful year. I believe this marks our fourth year now as a partner of the counties and representing the County in Washington D.C. Of course,

much of this last year has been focused on a successful award of the Transportation Investment Generating Economic Recovery (TIGER) grant to revitalize the town core of Līhu'e. I want to say a little bit about the TIGER grant, because I think it was really an extraordinary effort on the part of everyone involved in the County. As you know, we talked about this opportunity a year ago when we were here. At that time, I believe we were in the process of compiling our application. We spent many months working with the County staff in formalizing that project and making sure that we were aligned with the federal opportunities or federal priorities associated with the TIGER program. As you may know, we spent many months interacting both with the United States Department of Transportation (US DOT) back in Washington, as well as the Federal Highway Administration (FHWA); the local staff worked closely with the State of Hawai'i Department of Transportation (HDOT); and we were always in constant communication with our congressional delegation. I think that those ongoing conversations and discussions proved to be really instrumental in the final product because our project was obviously successfully looked upon by the US DOT. It matched up with well with their priorities for creating ladders of opportunity and it met the local needs of the County, as well. So we were very happy and pleased with the outcome of the TIGER grant. I think it is really important now that the County focus on delivering a successful project. I think there is nothing that we could do more to position ourselves for future success than to deliver a project that is on time, under budget, and meets all of the goals of the project and the program. We will be working with the County and the County staff to implement that project and we look forward to a successful completion.

We also worked on a number of other initiatives during the year. I will let Mary Cronin speak to those in a minute, but I thought I would just take a second and talk a few minutes about what is going on in Washington now and what we see coming down the road in the months ahead. As you may know, the Congress is currently in recess. They went out of session at the end of the July. They are out for the entire month of August. They will come back briefly in September, probably only to pass what is known as the "continuing resolution." The Congress has yet to enact any of the standing appropriations bills for the new fiscal year that will start in October 1<sup>st</sup>. It is unlikely, and in fact almost impossible, that they will be able to do that before the end of the fiscal year, which is September 30<sup>th</sup>, because of the ongoing election and what have you. They will probably come back in September and pass, my guess, is a continuing resolution that would fund the government, probably until about the eleventh of December. So that would enable them to take all of September and October for the election; the elections will be held on November 8<sup>th</sup>. The Congress would likely come back after that and in a lame-duck session and address both a longer-term funding bill, probably an omnibus appropriation, as well as other priorities that were left on the table when they adjourned in July.

In terms of going forward, we are looking at a lot of different changes and a lot of new faces, priorities, and issues coming out of Washington. The election, of course, is going to bring in a whole new administration, and whether that be a Clinton Administration or a Trump Administration, there will definitely be new faces, new cabinet, new department heads, and new program managers all across the government. So I think it is going to be important for the County to monitor those changes, to be proactive in building new relationships with the new administration, and also in identifying what the new administration's priorities are going to be so that we can adjust our own federal agenda accordingly. In terms of future priorities, I think one thing that we know for certain that will take center stage in the next administration will be infrastructure. Now I know that there are a lot of the infrastructure needs still here at the County; a backlog of road maintenance and repair programs that need to be addressed, that unfortunately could not be addressed as part of the TIGER grant. The TIGER grant was very specific. It was only for leveraging projects of national and regional significance, like how the town core project was. The TIGER grant could not be used to fund road maintenance programs. I think 2017 is going to be a major infrastructure year. Both candidates, Secretary Clinton and Mr. Trump, have made infrastructure investment a major priority in their campaign. The Clinton campaign has talked about as much as a five hundred billion dollar (\$500,000,000,000) investment in infrastructure in the first year of her administration. That would be very comprehensive that would include roads, bridges, sewer, water, ports, airports; a major, major initiative. I think everyone understands nationally that there has been a lack of investment in infrastructure and there is a backlog, billions of dollars, in needed repairs and maintenance all across the country. I think the Congress will be prepared to do that. They are going to talk about possibly increasing the federal gasoline tax. Another popular funding measure is the offshore profits of major corporations who have kept these profits overseas, and the Congress and the administration are talking about a comprehensive tax reform that would enable these companies to repatriate these profits, but with a portion of them going to, in this case, infrastructure. So I think 2017 and in the next five (5) years we are going to see major federal investment in infrastructure and I think that would go a long way to addressing a lot of the backlog needs not only here, but also around rest of the country. With that in mind, I will turn it over to Mary and let her talk a little bit more about some of the other issues that we have been engaged in.

MARY CRONIN, Managing Director of Smith Dawson & Andrews, Inc.:

First, I want to continue to commend the County on their great success with the TIGER grant, because as you may not have heard, there was only a six percent (6%) chance of success. We were pleasantly surprised on the day that we were awarded the grant that we were also invited, the Mayor was also invited to speak, on a national conference call and he was only one (1) of two (2) invited to speak of the thirty-nine (39) awarded projects. Truly, the project really aligned

with the goals of the Department of Transportation letters of opportunity, and being a rural community of sixty thousand (60,000) people is really a story for the Mayor to tell. If Kaua'i can do it, anybody can really, truly do it if they do it right. We continue to hear from different groups around the country who are interested in learning what the key to success was. In fact, we have been invited to speak at a national conference on Pro Bike/Pro Walk/Pro Place in Vancouver to talk about the success of Kaua'i's TIGER opportunity and some grant opportunities that rural communities can benefit from. As Jim mentioned, we just want to make sure that we successfully administer this grant because it is historic for Kaua'i, but it is also historic for Hawai'i and the federal agencies, so we are looking to see how well we are able to administer this so that we can determine whether or not we are worthy of receiving additional federal grant opportunities. It really is important that we do it on-time and on budget as well.

We have a lot more work to do. We spent a lot of time in the last three (3) years focusing on the TIGER grant. As you know, in last four (4) years we have aligned a number of grant opportunities with each one of the County's priority projects. We have had literally hundreds of grants that we have identified that could be potential fits and we have really narrowed the focus down to about one hundred (100) to one hundred fifty (150) grants or so that we feel best align with the County's priorities. We have annually put together sort of a booklet and a chart identifying those grant opportunities so that when those projects are ready to go to construction or whether they are ready to go into the feasibility or design stage, we have a listing of opportunities that we can attempt to pursue. We have shared those with you, as we have produced weekly updates of what has been happening in Washington. We have also attached to those weekly and monthly updates, as well, a list of those federal grant opportunities. So today and tomorrow while we are here, as we have done each year and each visit, we will be meeting with each one of the departments to talk about those grant opportunities and their priority projects to see where there are some additional resource needs. We know that we have to do a lot more with a lot less. So if we can go after some of these competitive grants, everything from the low-hanging fruit that may not require a local match to some of those larger projects such as TIGER, which may require a limited local match, we really want to be putting our best foot forward in positioning ourselves to be competitive and successful.

During the Mayor's visits in January and June of this year, we brought him into several of the federal agencies, because as we have been talking in the last few years, those relationships are really important and we will be going back into those federal agencies, seeing all new fresh faces in the new administration in wanting to update them on our priority projects and the success that we have had with the TIGER grant, for example, so that we can continue to leverage other federal funding opportunities. When we were meeting with the Federal Transit Administration (FTA) back in January, which also happened to be the time when

the Mayor's conference keynoted Secretary Foxx and the Mayor was invited to speak to Secretary Foxx in front of all the other mayors about the success of the TIGER grant. We also went over to the Federal Transit Administration at that same time and we talked to them about some federal funding opportunities that were recently resulting from the reauthorization of the Fixing America's Surface Transportation Act (FAST Act), which is the surface transportation bill, which had passed and signed into law in December 2015. There was a new program in that bill; it is the "Bus and Bus Facilities Discretionary Program." It had been in previous surface transportation bills and was brought back and funded at a little better-level, and we learned that we could apply that program for replacement of some of the transit fleet. So we did. The Mayor came back and put together a proposal to apply for a replacement of twelve (12) buses in the transit fleet; that grant is currently pending. We did have the congressional delegation behind it. We should hear about the success of that grant probably in the next four (4) to six (6) weeks. That grant was for one million six hundred forty-eight thousand dollars (\$1,648,000) and we had a four hundred thousand dollar (\$400,000) local match. Similarly, we also met on each of the Mayor's visits with several federal agencies about additional funding that we could pursue. We learned about the Housing Trust Fund opportunity through the State that we could potentially be directed some funds from. It is only a three million dollar (\$3,000,000) pot of funds, but that is still something and little somethings start to add up. So upon returning, we learned that we could access some of those funds, and as a result, we are going to receive some of those funds. We also talked to them at great length about, "Are we doing everything that we could possibly do? Are we taking advantage of every program and every dollar that is out there for these public housing projects?" They commended us and they said, "You are ahead of your peers. You are doing far more than other communities across the country. You are doing all of the right things." I thought that was rewarding to hear because sometimes we think, "There must be more out there," but we are doing everything that we should be doing.

We also met with the Department of Commerce and we talked with the Economic Development Administration (EDA) about some new opportunities that we are excited about. One of them is the Regional Innovation Strategies Program, which has two (2) components: one is a pot of funds for feasibility studies to, for example, increase ladders of opportunity—again, we are hearing that phrase—for promoting entrepreneurship and manufacturing and support for the local economy and local businesses, particularly for entrepreneurs. There is a two hundred fifty thousand dollar (\$250,000) pot of funds new this year for feasibility studies to be able to put together some sort of a project to do that. Then there is also some funding to the tune more of about six hundred thousand dollars (\$600,000) that we could apply for that would actually enable us to implement a new program and an economic development strategy to support local businesses and entrepreneurs. So that is something that we want to continue to look at, and hopefully in the new administration that program will be available to us. There could be new programs

similar to that, that would be available in the new administration. We will just have to wait and see.

As you have probably seen, we have done a number of summaries over the past year of a number of bills that were reauthorized. We talked a little bit about the FAST Act, the surface transportation bill. We have also provided updates on the Elementary and Secondary Education Act (ESEA), which is now the "Every Student Succeeds Act (ESSA)," which is also reauthorized. We talked about the "Older Americans Act (OAA)" reauthorization, and of course we weighed in on all of the appropriations bills and requested certain levels of funding for a number of programs across all of the federal agencies so that the congressional delegation would know how much funding we support for those programs and that we would like to see the fully authorized levels of funding for those programs, which are so important to this community. Of course we continue to track and monitor a number of other issues. For example, the United States Fish and Wildlife Service work on the Environmental Impact Study (EIS) for the Newell Shearwaters. We have been gearing up for the Federal Aviation Administration (FAA) reauthorization bill. We anticipate in the next year that we will have a farm bill reauthorized. There will be some activity likely around the Base Realignment and Closure (BRAC). So we are certainly keeping a close eye on all of those things so that the County is able to weigh-in as necessary as those issues become front and center. With that, I think I would like to take any questions that you might have. Certainly, we are very thankful and appreciative to be representing you in Washington and we have developed great relationships with the congressional delegation over the last few years, as well as the federal agencies on behalf of the County.

Council Chair Rapozo: Thank you very much. Any questions?  
Councilmember Yukimura.

Councilmember Yukimura: I want to thank you first of all for your help to this County, which I think has been pivotal, and the TIGER grant is a perfect example of that. I am so pleased and grateful. Mary, I think you mentioned it already, the importance of successful implementation of the TIGER grant that will greatly influence our future chances, I presume.

Ms. Cronin: Yes. We could talk a little bit more about that. As we said, it is historic for Kaua'i and it is historic for Hawai'i. I believe this is the second TIGER grant in all of the years. We have had TIGER and now we have had seven (7) or eight (8) rounds of TIGER and this is only the second project to be awarded to Hawai'i. As you know, it took a herculean effort and the Department of Transportation had their finger on the pulse of this project all the way through and offering their advice and we were addressing our strategy with each encounter with them with each meeting and discussion. It is a big deal and it is a big deal for the Hawai'i Department of Transportation to be behind this project

and it is a big deal for the regional Federal Highway Administration to be behind this project. We want to be successful in everything that we do, but particularly when we are receiving federal funds, we want to be able to say that we did it right, on time, and on budget. We do not want to have to go back to them and say, "We need more money," or, "We cannot do this because we have spent money here." We want to be responsible in the way that we administer this program. It is an example for other federal agencies to see that we were able to do this successfully. That is really key because we want to see additional federal dollars coming in, and to just reiterate the point that this was all about ladders of opportunity; this was all about regional economic development, not just local economy development. It is about access to jobs, services, and education. That is what this project does. Some folks might say, "Well, we wanted to see federal dollars going towards repairing roads and maintenance projects of our roads, which are in disrepair." That is not what this grant was for. This grant is a competitive grant. These are not just awarded to anybody; these are awarded to the best projects that meet the goals of the grant opportunity.

Councilmember Yukimura: Thank you for reminding us that this is a Department of Transportation grant and it is for economic development purposes. Can you tell us what that acronym of "TIGER" is?

Ms. Cronin: "TIGER" is "Transportation Investments Generating Economic Recovery."

Councilmember Yukimura: Thank you. So the intention is to really help the core of Līhu'e's economy to come back.

Ms. Cronin: That is right.

Councilmember Yukimura: Hopefully that is what will happen, which is the main result of this, in addition to the fact that people will be able to move around more easily.

Ms. Cronin: And safely.

Councilmember Yukimura: Yes. It is very exciting. Thank you for that. What are the possibilities of road maintenance of County roads in terms of federal coverage?

Mr. Smith: I would be happy to address that. First of all, Kaua'i is a rural community, so the federal government does not provide direct federal assistance to rural communities in the case of transportation funding. Funding intended for rural areas is channeled through the State Department of Transportation. So any federal funding that we would receive for road maintenance would come through HDOT. There are federal programs that do address local



needs. It has not been the highest priority over the last several years, both because of the lack of federal funding, number one; and because of this administration's emphasis of leveraging federal dollars. They like programs that are going to leverage local dollars, regional dollars, and state dollars to address a broader regional impact. So that is what TIGER does. I do think that, as I mentioned at the beginning of my remarks, next year is going to be a big infrastructure year in Congress and I think we are going to see massive investment in infrastructure nationwide. I think that will be a rising tide that will raise all boats, so to speak. I think you will see more money flowing through state departments of transportation down to local communities. I think that there will be funding that will address some of that backlog, but traditionally a lot of that has come from local sources.

Councilmember Yukimura: I know that we get for collector roads, like Maluhia Road, which is the main road to Kōloa/Po'ipū, we have this eighty/twenty (80/20\_ match, so that there are federal funds that help there. But for us to expect federal moneys for all of the local roads for maintenance is probably not realistic.

Mr. Smith: That is probably not realistic. That is not really a federal issue. Most of your local road needs are going to have to be addressed locally and with the State.

Councilmember Yukimura: Okay. Is there a possibility that we could get some bridge repair money?

Mr. Smith: Yes. Again, there is federal bridge money available. Most of it is intended for federal aid highway network. So to the extent that those bridges are on a federal aid network, it would be eligible.

Councilmember Yukimura: What about moneys for new highways in the federal framework of things? My understanding is that it has been diminishing and I think we have a recent local...the DOT here...the State DOT has stopped some of their planning for major, new roads and are directing that to maintenance of State highways because they are struggling, as well as we are with County roads. You just said that the Feds are talking about raising the highway tax for federal maintenance.

Mr. Smith: That is one of several financing options that many individuals and groups at the federal-level have proposed as a way to increase investment in transportation and infrastructure.

Councilmember Yukimura: So is it fair to say that there is a real federal thrust towards maintenance rather than the building of new roads?

Mr. Smith: Well, I think that has been the case for the last several years because of limited budgets and because of the huge backlog of maintenance needs, both for highways and public transportation. I think most of the emphasis on the money coming out of US DOT has been for maintenance. A lot of the new road projects that you have seen around the country that have started have actually been public-private partnerships, where you are seeing private parties invest as a partner with state and local governments to build new projects. That is not always realistic or possible because obviously there has to be a Return On Investment (ROI) for the private partner, and not every project provides that.

Councilmember Yukimura: Thank you. I have other questions, but I want to give the other Councilmembers a chance first.

Council Chair Rapozo: Any other questions for our lobbyists? I want to focus on what they have accomplished and any other possibilities going forward. We do get your reports and the administration does forward them throughout the year so that we are up to speed on what you are doing. You mentioned affordable housing or housing money and possibly traffic money. In your report today, you also mentioned the Wildlife Hazard Mitigation for the landfill because we were having that issue with the birds up at the proposed landfill site. What is your opinion? Is that a fight worth fighting? I notice that it is just one (1) sentence on your report, so I have a feeling like it is a difficult challenge.

Ms. Cronin: Yes, it is an issue that we have been monitoring more than anything in the last year or so. We work with airports around the country, so one of our colleagues often travels to the Airport Executives annual conferences and there happened to be one in January down here in Hawai'i. So he had some conversations just to kind of get the local feel of what the outcome might be, could be, or should be. I absolutely think it is worth fighting. I think there are often exceptions to a number of rules when you are in a situation like this, when you are on a small island. There have been a number of circulars related to policy regarding size of airport and the distance to a landfill that has changed over the years or has received waivers. I think that it is worth fighting and it is a conversation that you have to continue to work with at the State level and work with HDOT and the FAA. I do think that there are some ways that you can make it work.

Council Chair Rapozo: Is the issue with HDOT, or the FAA, or both?

Ms. Cronin: Both.

Council Chair Rapozo: What is the State's issue?

Ms. Cronin: That is something I have to get you more information on exactly where the State stands in terms of what their responsibility is. The HDOT has to agree with the FAA that they can build this.

Council Chair Rapozo: But the FAA has not agreed that we can build it, correct?

Ms. Cronin: I do not think we are there yet.

Council Chair Rapozo: I know we are not because I read the communication and they are not supporting it. I guess my question is...we need both the FAA and the State. If we get the State to agree with us, it does not matter if the FAA does not. I guess my question is...because you folks are in the Washington D.C. all of the time and you deal with these agencies, is it a fight worth fighting? I heard you say that it is, but from the communications that I have read, it does not seem like the Feds are as flexible, but I could be wrong.

Ms. Cronin: It also depends on the mitigation strategies that we could implement.

Mr. Smith: I would just say that I do not know where the latest conversations are between the airport and the FAA. Clearly, the FAA is the big player here. They control the airspace and have air traffic control. I think while we are here, one of the things we hope to do is get an update from the local airport officials and see how best where we can help to go forward.

Council Chair Rapozo: Okay. Fair enough. Follow-up?  
Councilmember Kualii.

Councilmember Kualii: Thank you for your work. It is very clear that it is making a big difference for our County to have you do what you are doing. On page 3, you talked about the meeting in June with the Economic Development Administration and these two (2) opportunities: acceleration and incubation programming dollars, five hundred thousand dollars (\$500,000), and the entrepreneurial success, the seed fund for two hundred fifty thousand dollars (\$250,000). Are these annual opportunities? Are we currently going after them now that you have discovered them?

Ms. Cronin: These are opportunities as of last year and this year. Over the last couple of years, there have been different incubator-type programs. This year was the Regional Innovation Strategies Program...the name of the seed fund...I keep forgetting exactly what that one is called, but those are programs that the Economic Development Administration decided that they would open up for competition in this year. We hope that they will do another competition

next year; but as you know, that all depends on the appropriations process and whether or not the funds are in place to be able to open this competition again. We would like to anticipate there will be something similar. We learned of this opportunity in the spring. We met with the Economic Development Administration in June to talk about it further. There was not enough time to put together an application. I think first we would need to have a feasibility study to see exactly what would be the right project for whatever the space might be that we want to fill. That is going to require more conversation, and then hopefully putting together a plan and a proposal next year.

Councilmember Kualii: Along those lines, I noticed that it said the program is a one-to-one match and that it could be in the form of an in-kind contribution. Is the primary piece there the labor of County workers? What do they mean by what is eligible for in-kind?

Ms. Cronin: For an in-kind match, it could be the space. For example, if you had a sixty thousand (60,000) square foot commercial office space, that could be considered a local match. It could be the labor in the design and engineering of the program or the space. It could be just whatever the resources might be that you might put into the space. If you had some equipment or if you had some local businesses that wanted to contribute by putting in a tool and die cutter or a sewing machine, anything that could be contributed to the space like that for the program purpose could be considered an in-kind match.

Councilmember Kualii: Thank you. The second question about the Affordable Housing Trust Fund and you talked about there being three million dollars (\$3,000,000) coming to the State of Hawai'i and that we are reaching out to the State to see if we could get a part of that. With everything going on with the rail, the focus of economic development, housing along the rail and all of that, do you think it is likely that any of the other counties, besides the City and County of Honolulu, could get some of those three million dollars (\$3,000,000)?

Ms. Cronin: I think that is a possibility. The State was supposed to put together their plan and present it to the United States Department of Housing and Urban Development (HUD) this month. I know the most recent update that I received in June, following the Mayor's meeting in Washington with HUD was that the County was going to be receiving some of those funds. I am not aware of who else might be receiving any of those funds.

Councilmember Kualii: Okay. Thank you.

Council Chair Rapozo: Councilmember Chock.

Councilmember Chock: Thank you, Chair. Thank you, Ms. Cronin and Mr. Smith, for the continued work. I appreciate all the efforts you folks have been doing for our island. I am really excited about some of what we can expect and what we are looking at in terms of infrastructure needs. I guess one of the questions I had was in terms of the need for us to transition into sewer systems and the transition of cesspools. That has becoming an increasing, aging issue. Have you seen any efforts or funding mechanisms for that to occur statewide that this island can take advantage of?

Ms. Cronin: Well, we could put together a list of some programs that we think you could take advantage of for that. Right off the top of my head, I am thinking of the Rural Utilities Service (RUS) under the United States Department of Agriculture (USDA). They have grants and loan programs just for that purpose. There are also the Clean Water and Drinking Water State Revolving Loan Fund programs. Your money goes to the State; there would be funding available there. The Economic Development Administration has a couple of different pots of funds that you could tap into for those purposes.

Councilmember Chock: I would appreciate that listing, if possible. I also have them written down here. My last thing is just more of a request. I know you will be meeting with the department heads in the next few days and I will be here to see how we are connecting the dots to the funding sources that are forthcoming. Because you hit one, two, and three in terms of where the funding sources are going to be directed at in the next year or budget year, for us, or least for me, that we are investing in the things that best meets the needs of our community so that they are translated properly. I appreciate the continuing communications, and if you can include that in the next communication to us.

Ms. Cronin: Sure.

Councilmember Chock: Thank you.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: I have a follow-up regarding sewage. I have gotten several requests or concerns about the towns that have no sewage system, which are Kalāheo and Kīlauea, where there is a real constraint on restaurants and economic development in those towns. I was wondering whether there are funds that can help those areas. I want to acknowledge that in talking about sewage, we have to really coordinate our land use well so that we do town core work before we put sewer lines out into the country, so to speak.

Ms. Cronin: Right.

Councilmember Yukimura: For the town core, I know there is a great need for some kind of sewage solution and I do not think it is a septic tank.

Ms. Cronin: I think what we are talking about there is perhaps some technical assistance to figure out what the best plan or the best system might be for those towns. We can look to both the EDA and the USDA for some assistance there.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Any other questions? Councilmember Yukimura.

Councilmember Yukimura: I was happy to hear about the special grant for Bus and Bus Facilities Discretionary Program, and thank you for helping us connect to some moneys for replacement. What is the prognosis for rural transit funding?

Mr. Smith: Rural transit funding in general or do you have a specific project?

Councilmember Yukimura: I know that we have been able to get, in a somewhat ad hoc way, replacement moneys for buses or for new buses, but operating moneys are usually never available, correct?

Mr. Smith: That is something that the federal government does not fund. They got out of the operating business many, many years ago, so the federal transit dollars are all capital-intensive. But one of the good things that Mary alluded to in her comments that why we are able to apply for this bus money now is that when the Congress reauthorized the transportation bill last year, they created a new discretionary bus grant program for rural areas, where that had been taken away in the previous authorization bill. It is what made it much more difficult for smaller communities to compete for capital dollars for bus replacement. Now with this new discretionary program, we are able to apply for the money. Hopefully, we will be successful. Again, it is capital. That is what the federal transit program is.

Councilmember Yukimura: So a major part of our Multimodal Land Transportation Plan in the short-term is the creation of the two (2) satellite baseyards, because right now, our baseyard space is a limiting factor to expansion of our system. In order to have service more frequently, we need more buses, and without the space to base our buses in...and we are going to save a tremendous amount of the money if the drivers can start at the outlying areas instead of coming in, getting the buses, and taking them out to the ends, and then beginning the

service. It is a very important piece. I would imagine if it is capital costs that those satellite transit baseyards could qualify for this money.

Ms. Cronin: Yes.

Councilmember Yukimura: Okay. I take it that you are talking to our Transportation Agency people about that.

Ms. Cronin: Right. We actually are meeting with them today.

Councilmember Yukimura: That is very excellent. Thank you very much. Ever since you came onboard, I think our ability to get federal funds has greatly increased, and given the scarcity of local funds, your help is very, very helpful. Thank you.

Ms. Cronin: Thank you.

Council Chair Rapozo: Any other questions for our lobbyists? If not, thank you very much. How long are you folks here for?

Mr. Smith: We will be here until Saturday. Again, I just want to thank all of you for your support with our participation and role with the County. We think it has been a good, strong partnership. I would also mention that when any of you happen to travel to Washington D.C., whether for a National Association of Counties (NACo) meeting or whatever other reason, please feel free to reach out to us because we are a resource for the whole County.

Council Chair Rapozo: Thank you. I think sometimes lobbyists have a negative connotation that they are the evil people, yet I think Councilmember Yukimura said it best, that a lot of the projects that we see federal funds for would not be possible if not for our relationship with you and your company. That is just the way it is. We just do not have the connections or relationships in Washington D.C. to get people to listen. Can you imagine how many requests our Congress representatives throughout the country receive from local counties and state governments? If not for the relationships that you folks have established, it is very, very difficult. I am proud of this relationship with you lobbyists and I look forward to working with you folks going forward. Thank you very much.

Mr. Smith: Thank you.

Council Chair Rapozo: Anyone in the audience wishing to testify on this matter? Mr. Mickens.

GLENN MICKENS: For the record, Glenn Mickens. I thank Mary and Jim for being here and presenting this program. I made a couple of quick notes because I was not exactly sure what they were going to talk about. We seem to be concentrating on federal grants for beautification areas like Līhu'e and TIGER grant, plus bikes and buses, but ignoring the real problem like alleviating traffic and doing something about our traffic problems. All of the buses, bikes, shuttles, and walking is not going to get the mass of the people out of their vehicles. What is beautifying Līhu'e with thirteen million dollars (\$13,000,000) or fifteen million dollars (\$15,000,000) or whatever the amount is going to do for our total island? What about our roads, bridges, and infrastructure? How much beautification can fifteen million dollars (\$15,000,000) do for any area like Līhu'e? New parks? New buildings? What can be built for that kind of money? I do not think very much. We need one hundred million dollars (\$100,000,000) just to repair our deteriorated roads. Why are the Feds concentrating on beautifying areas like Līhu'e? For me, it is a very low project or not a priority at all, and not a top priority like roads, traffic, infrastructure, solid waste, low-income housing, and sewage, as you people have brought up. The Feds have spent five million two hundred thousand dollars (\$5,200,000) a mile on a multiuse path. Again, was this a higher priority than any of the above projects I have named above? Are the Feds listening to what the people need and want or what the lobbyists want? I think that our Councilmembers have brought up what our needs are, but again, are the Feds listening? I do not know who pushes these things. Putting more paths along our roads and stuff are going to exacerbate the traffic problem, obviously. Who is doing it? When we talk about common sense and what we are going to do to do these things, I cannot knock these people for going after grants, but the grant itself, what is it doing for the mass of the people on Kaua'i? What is it doing for our infrastructure that we so badly need? Anyway, these are the issues. Maybe Jim and Mary have answered these things. I did not hear it, but I do appreciate their efforts. Thank you.

Council Chair Rapozo: Thank you. I am not sure if Mr. Mickens received a copy. Did you get a copy of this?

Mr. Mickens: Yes.

Council Chair Rapozo: Okay. I think all of your questions were answered in this report. Next speaker.

ALICE PARKER: Alice Parker, for the record. I thank the lobbyists for appearing and for their well-spoken approach and information. I am glad that they stressed that the federal government is not funding maintenance. They are out of the maintenance projects. Our derelict maintenance is our own County and State problems, but they are funding new ideas for transportation and



integrating communities. I really appreciate the depth and sophistication of their presentation. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to testify? If not, I will call the meeting back to order. Further discussion? Councilmember Yukimura.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Councilmember Yukimura: I just want to make it clear that the TIGER grant and project is not primarily a beautification project. It is an economic development project because the economy cannot grow when transportation does not work. In fact, it is about traffic and it is about flowing traffic. When people cannot find parking, they will go elsewhere and that is part of Līhu'e's problem; that if we only depend on the automobile, we meet our limits in Līhu'e really quickly. If we had a transit system where people could come to Barbeque Inn or the Līhu'e Shopping Center every ten (10) minutes by bus, it would really open up the economic opportunities along Rice Street. Kapa'a is a much more vibrant place because it has a functioning transportation system. Yes, there are many problems yet, but it is much more functional than Līhu'e Town is in terms of parking. That is what we are trying to do here. We are trying to boost economic opportunities, create jobs, create safety, and create places that are walkable and allows for biking. The real estate evaluations around the country show that towns that are walkable and allows for biking could generate a lot more economic wealth than spread-out areas and large shopping centers.

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: I just want to thank James and Mary for all of their hard work. I am glad you addressed some of our critical infrastructure problems and said why we may or may not be able to get money for roads or bridges, and if there is any opportunity for water and sewer also, because that is infrastructure that limits our economic recovery also. We are not able to build, expand, or do other things. So I do not know if there is any tie-in to try to get some of those types of infrastructure into these grants or plans. We are willing to move forward on anything, so any money you folks can bring in is good, as long as it is a good project. I think you folks have been bringing in good projects. Also for housing, housing is a critical need, so any grants or opportunities for housing—again, housing is limited by infrastructure also. I just want to thank you for all of your hard work. I am glad that you are keeping track and monitoring the landfill issues, which is a federal and state issue. I guess as you do your presentations on the success of the TIGER grant, please do not give out all of our secrets and keep

the trump card for Kaua'i so that we continue to be successful. That is just me being greedy. Thank you.

Council Chair Rapozo:                      Anyone else? Councilmember Kualii.

Councilmember Kualii:                      I just wanted to make a comment because Councilmember Yukimura had mentioned the towns of Kalāheo and Kīlauea, as far as having sewer infrastructure needs that could help with economic development. I just want to add to that list, my hometown of Anahola. I also want to put Analoha on your radar, lobbyists, because of the rural projects and economic development projects that our community association and people in the community are doing in small ways and even going after federal funds independently, and then working with the State Department of Hawaiian Home Lands (DHHL) and that there are potential opportunities there. We have been receiving support from people like Senator Schatz, and locally in the State, Senate President Kouchi. Make sure we are on your radar, too. Thank you.

Council Chair Rapozo:                      Councilmember Kagawa.

Councilmember Kagawa:                      Thank you, Chair. I would like to thank the lobbyists for the work that they do. When you are on Kaua'i, we are a small piece of the United States of America and it is difficult to gauge when this County is getting its fair share. That is why we need lobbyists to try and be our voice up there because we are a small place. The federal government collects a lot of taxes. For the middle-class, it can collect anywhere from fifteen percent (15%) to thirty-five percent (35%) of your income taxes. So a lot of our typical citizens are struggling right now and a lot of the taxes go to the federal government and it is difficult to know, when is Kaua'i getting our fair share or more than our fair share? I think it varies, like we got this TIGER grant, and perhaps in this fiscal we are getting more than our share. There have probably been years when we are not getting our fair share. We have to continue to fight that battle and make sure that we are getting our fair share of taxes. I do not think that always happens. I just hope going forward that we can continue to look for more projects, especially projects to me that can qualify for matching that are in dire need of repair. We have bridges that are over one hundred (100) years old. For example, 'Anini Bridge, if that bridge falls, the whole 'Anini Beach Park and the whole community inside of 'Anini are cut off. How do we address that? There are problems with Hanalei Bridge. Sometimes it does not function. Hanapēpē Bridge is a secondary bridge into town. I think it is just continuing to try and make sure that we get our fair share because we all know that we pay the same amount; we do not get a discount because we are small and faraway from Washington D.C. We pay the same amount as somebody who lives in Washington D.C., in New York City, or wherever. We pay the same amount of taxes, which is for me, a lot too much. Anyway, let us continue to work and try to get Kaua'i our fair share. That is all I ask. Thank you.

Council Chair Rapozo:

Thank you. Councilmember Hooser.

Councilmember Hooser: I want to add my thank you for your presentation. It was very informative. Also, thank you for the good work you have done on the TIGER grant and other projects. We all have different interests and I just want to plug not just physical infrastructure, but social infrastructure in terms of youth programs and drug treatment. As a rural community, we are isolated and do not have the health and treatment facilities available to our community. I am hopeful that perhaps you could dig into some of those rural health programs and find grant opportunities that could support drug treatment, youth programs, and that kind of thing as well. I will just leave you with that thought. Thank you very much.

Council Chair Rapozo:

Thank you. Councilmember Yukimura.

Councilmember Yukimura: In all of this, I want to also acknowledge the Administration, for example, in the area of TIGER grant planning and the Department of Public Works, because the projects have to be well-designed in order for them to be effectively promoted. So the work that is done at the county-level is very, very important. I think it is indicative of the Administration's work that we did get the federal grant as well.

Council Chair Rapozo:

Thank you. Anyone else? If not, thank you very much. Keep up the good work and we will see you next year.

The motion to receive C 2016-184 for the record was then put, and unanimously carried.

Council Chair Rapozo:  
the items.

Next item, please. We can just go through

JADE K. FOUNTAIN-TANIGAWA, County Clerk: We are back to page 1, C 2016-183.

C 2016-183 Communication (07/28/2016) from the Planning Director, transmitting the Planning Commission's recommendation to amend Chapter 8, Subsection 8-15.1(d)(7), Kaua'i County Code 1987, as amended, to amend the recertification deadline from February 15, 2015 to December 30, 2016 for property owners holding an Additional Dwelling Unit (ADU) facilities clearance form to construct an ADU on other than residentially zoned land: Councilmember Kagawa moved to receive C 2016-183 for the record, seconded by Councilmember Kualii.

Councilmember Kualii: Chair, I just wanted to point out and correct the typographical error of February 15, 2017, which should be February 15, 2015. Is that correct? February 15, 2015 to December 30, 2016 is what is correct.

Council Chair Rapozo: I think it is a typographical error in the posting alone, right? Okay. The change will be reflected. Again, it is just in the communication and not the bill. I intend to have the discussion on this matter during the bill. With that, anyone wishing to testify on this matter? I will suspend the rules. Your testimony on this communication item will be carried over to the testimony for the bill.

There being no objections, the rules were suspended to take public testimony.

LEE MOREY: My name is Lee Morey. I am the Principal Broker for Caldwell Banker Turtle Cove Realty and I am testifying on behalf of a client, who is a real person that this has affected and wants to convey her gratitude for you even considering the ability it recertify. She is a real-life case of circumstances whereby health, misinformation, and just plain not knowing what to do and when to do it. She missed the opportunity to recertify and lost hundreds of thousands of dollars in the value of her property by obviously not being able to build on it. There was no other recourse other than to make an appeal to the Planning Department, which we were told adamantly that it would take two (2) years and a lot of money. She would have had to do it. She would not have had a choice. After talking with the Planning Department and a few legal people involved, when it was announced that you were considering doing this, it was really a godsend for her. I am here on behalf of her, a real person, to thank you for considering this. Hopefully it will go through. I know personally that there are other individuals that have similar circumstances, and the fact that you are reconsidering it is really great. Thank you.

Council Chair Rapozo: Thank you very much. Anyone else?

CHAD DEAL: My name is Chad Deal and I am here as a member of the Government Affairs Committee for the Kaua'i Board of Realtors (KBR) and submitting testimony on behalf of them as the voice of real estate on Kaua'i and its five hundred fifty (550) members. KBR supports Proposed Draft Bill No. 2636, which allows for the recertification of the Additional Dwelling Unit (ADU) until December 30, 2016. Whereas KBR realizes the shortage of housing in general throughout Kaua'i, we realtors support this effort to provide housing and to allow those who missed the original deadline to receive a chance for recertification of their ADU status by allowing for sufficient time, as provided in the Proposed Draft Bill, and to apply and obtain recertification. KBR wishes to thank the Council and the Planning Department for acting on their commitment to provide housing. Kaua'i Board of Realtors will make a commitment to assist the

County in circulating information throughout the community, notifying of the privilege to recertify and shall stress the urgency to act. *Mahalo* for this opportunity to testify.

Council Chair Rapozo: Thank you. Anyone else wishing to testify? If not, I will call the meeting back to order. Again, the discussion will be held during the bill.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

The motion to receive C 2016-183 for the record was then put, and unanimously carried.

Council Chair Rapozo: Next item.

CLAIM:

C 2016-185 Communication (08/02/2016) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Debra K. Signaigo, for partial reimbursement of her water bill, pursuant to Section 23.06, Charter of the County of Kaua'i: Councilmember Kualii moved to refer C 2016-185 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Councilmember Chock, and unanimously carried.

Council Chair Rapozo: Next item.

COMMITTEE REPORT:

PUBLIC WORKS / PARKS & RECREATION COMMITTEE:

A report (No. CR-PWPR 2016-10) submitted by the Public Works / Parks & Recreation Committee, recommending that the following be Received for the Record:

"PWPR 2016-09 Communication (07/29/2016) from Council Chair Rapozo, requesting the presence of the Managing Director, Acting County Engineer, and Planning Director, to discuss the Lihu'e Town Core Project and the Transportation Investment Generating Economic Recovery (TIGER) Grant Project, as well as the citizens' petition against the project area affecting Malae Street and Puaole Street to Ho'olako Street in Lihu'e,"

Councilmember Kualii moved for approval of the report, seconded by Councilmember Chock, and unanimously carried.

Council Chair Rapozo: The next item will be Resolution No. 2016-53. How many people are here to testify on that matter? How many of you have signed up? We are going to take a ten-minute caption break. Please sign up if you are going to testify so that we can have some order as we get through, and then we will go straight to that Resolution right after our ten-minute caption break. Thank you.

There being no objections, the meeting recessed at 9:34 a.m.

The meeting reconvened at 9:46 a.m., and proceeded as follows:

Council Chair Rapozo: Can you read the next item, please?

RESOLUTIONS:

Resolution No. 2016-53 – RESOLUTION APPROVING THE LIMA OLA WORKFORCE HOUSING PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES: Councilmember Kaneshiro moved for adoption of Resolution No. 2016-53, seconded by Councilmember Kualii.

Council Chair Rapozo: My plan is to have the Administration come up and do their presentation first; however, I understand that there are some people that cannot stay and they need to leave. If anyone wants to testify before the Administration's presentation, I would ask that you do that now. Councilmember Yukimura.

Councilmember Yukimura: As the Housing & Transportation Committee Chair, I intended to make a motion to schedule a public hearing on September 7<sup>th</sup>, and refer to the Housing & Transportation Committee Meeting that same day. I believe I spoke to you about this.

Council Chair Rapozo: You did.

Councilmember Yukimura: So I can move to amend and I can do it now or later, but I just wanted to signal that we need to have a public hearing at least. This process removes two (2) public hearings that are normally in our process and to not have a public hearing on it when we actually have the ability to, I think would not be good.

Council Chair Rapozo: Right now, I want to accommodate the speakers that have to leave, so let us do that first. Then we can have the discussion on where we take this action. With that, I will suspend the rules with no objection. Can we have the first speaker?

Ms. Fountain-Tanigawa: Chair, the first speaker is Frank Cruz.

There being no objections, the rules were suspended to take public testimony.

FRANK CRUZ: Good morning, Honorable Chair and Councilmembers. My name is Frank Cruz. We, the Cruz family, believe a home is all about safety and security. Our growing family of four (4) recently lived on the second floor of an affordable condominium complex called Pa'anau, Phase 2. Having two (2) small boys being on the second floor was less than ideal. I would often worry about their safety, but more than anything we wanted to provide the stability for our children. Stability could not be attained with a yearly lease. Research has shown that children of homeowners do better in school and attain higher levels of education due to stability and permanent home. We strive for what every parent wants to give their children, which is every opportunity to succeed. We are proud volunteers and now recently homeowners of the Kaua'i Habitat for Humanity program, even when it took us two (2) years from the start to finish. We are fortunate to be a part of the second phase of the 'Ele'ele Iluna project. We were denied in the process, due to the lack of financial literacy. Given the Hand-Up Family Service at Kaua'i Habitat for Humanity, it helped us through the process and had us scheduled to take homeowner classes and workshops. The homeowner classes and workshops helped to educate us on what we needed to learn to overcome our hurdle. During the duration of the project, we volunteered over seven hundred (700) hours with the help of friends and family. This was our opportunity to work with volunteers who gave their time and asking nothing in return. Time is the greatest gift you can give anyone. There is a great need for homes around the island, especially on the west side. With the rising costs of "living in paradise," there is no way a family can buy a home that is out on the market these days. With affordable housing projects like Lima Ola and Kaua'i Habitat for Humanity, it will help local families buy affordable homes to help raise their families and feel safe and have stability. With that being said, we, the Cruz family, support this Lima Ola project. *Mahalo* and thank you for your support.

Council Chair Rapozo: Thank you, Mr. Cruz. Anyone else wishing to testify before the presentation? If not, while the rules are suspended, Administration, you can come up. For Councilmembers, unless there is a clarifying question that needs to be dealt with immediately, I would ask that you hold your questions until after the presentation. Thank you.

KANANI FU, Housing Director: Good morning, Members of the Council, Chair Rapozo, and Housing & Transportation Committee Chair Yukimura. Kanani Fu, Housing Director with the County of Kaua'i Housing Agency.

GARY MACKLER, Housing Development Coordinator: Good morning, Council. Gary Mackler, Housing Development Coordinator for the Housing Agency.

Ms. Fu: We would like to present to Councilmembers the Lima Ola affordable housing project and 201H exemption application that has been submitted. Before we move into the presentation, I just wanted to acknowledge the many hands and the many minds that have put this project together. We have with us here our community that has been involved in the project, as well as members from our Administration to be here to support and to provide information as needed. In just looking at some overall data for our Kaua'i residents, we recognized some of the challenges of affordable housing. Within the County of Kaua'i Housing Agency, in our Section 8 Rental Assistance Program we currently have six hundred seven (607) participants, and we have the potential to increase that by five hundred thirty-eight (538) more participants. The Section 8 program, in addition to providing classes and financial literacy, can also provide the rental subsidy, which assists families with subsidizing rental housing. It contributes to their family's stability, as well as this money contributes to the economy, providing income for landlords. The current lease up rate that we have with our Section 8 clients is forty percent (40%), and that is dismal. We are talking about every one (1) in four (4) people who we try to give a voucher to unsuccessfully cannot find housing. Currently, since 2016 we had a one-week period where our Section 8 waitlist became available so that new families and new applicants could apply. We had over two thousand three hundred (2,300) applicants come in, in a one-week span. Within our Housing Agency, we also have the Homebuyer Loan Program where we currently have three hundred sixty (360) participants and we recognized few opportunities to purchase homes. We exit out approximately five (5) participants per year. They either become homeowners, they have passed away, or they have moved off-island. This is our rate, five (5) out of three hundred sixty (360). Lastly, we know that housing is expensive, and in our last data pool for July 1, 2015 to June 30, 2016, we see that the median price for residential is close to six hundred thousand dollars (\$600,000) and a condominium is close to three hundred seventy thousand dollars (\$370,000). If we look at just our median income, what our families are making, and try to qualify them with a traditional five percent (5%) loan, they can only afford...we are looking at approximately two hundred sixty-five thousand dollars (\$265,000) of borrowing power for the average family. When look at this, we see that there is just a limited supply of housing.

Mr. Mackler: Every four (4) to five (5) years, the County participates with the other statewide counties to conduct a planning study for determining housing needs. The last study was conducted and completed in 2011. We have been doing an update and we just received a draft report last week, and although the report is not ready to share, we did want to share with you the projected housing need through the year 2020, which this new study shows us. As you look at this slide, you will see this bar graph in blue, which is the data from the 2011 study and in red is the data that is coming to us through the 2016 study. You can see that the changes are dramatic, especially for the lowest incomes, the below



fifty percent (50%) of median income group. You can see how much that has increased and how much more housing supply will be needed for that group over the next five (5) years. Also kind of interesting is the middle market, the gap group. You can see from, say one hundred twenty percent (120%) on up, a market increase across those income groups, which I think is kind of a validation of what we all have talked about recently and sensed that the middle market is having a very difficult time finding housing supply. So overall, with the new data that is available to us, we are looking at a need of one thousand seven hundred eighty-two (1,782) units over the next five (5) years, and out of that number, a little over one thousand (1,000) of those units are needed for households that are below sixty percent (60%) of median income. The report also gives us a breakdown of need by ownership type or housing type, I should say rental or homeownership. Again, this slide shows that for those who are at the lower end of our income spectrum that more rental units are needed to serve those income groups. As you go up to higher incomes, more ownership units are needed. So that is the trend. I think as we talk more about Lima Ola, we will be able to show that the product that we want to place there is going to serve the trends of need.

Ms. Fu: Lima Ola—we look at it as a project that will address our resident housing need. In 2004, the County Council passed a resolution in recognizing that housing would become a necessity; they passed a resolution that would encourage and support land banking. In 2008, the process began and by 2010, the County Council and this Administration purchased this land for the purposes of land banking. Lima Ola is slated to be one hundred percent (100%) affordable, meaning under the Kaua'i County Housing Policy, we will serve only incomes up to one hundred forty percent (140%) of the area median income and one hundred percent (100%) of this entire development fits under our housing policy. Today, a person with one hundred four thousand dollars (\$104,000) a year, a family of four (4) would qualify for this project. We are looking at the last data, about eighty-five percent (85%) of our residents, so they fit into this category. Lima Ola is designed to incorporate green features, minimizing environmental impacts. We hope to promote healthy lifestyles through walkable/bikeable communities, park areas within the development, as well as within individual properties, potential gardens and gathering areas that encourages a close-knit community. Lima Ola is slated to be a four-phased development, spanning fifteen (15) to twenty (20) years. Phase 1, which we like to commence in 2017, will bring to the inventory, one hundred forty-nine (149) units. Lima Ola is slated to be a mixture of single-family and multi-family residences. The mix is similar to the trend. We are looking at about sixty percent (60%) rental, multi-family, and about forty percent (40%) for homeownership opportunities.

Lima Ola has been years in the making and throughout this process, to get to this point to where we are today, we have done numerous community engagement efforts on our part, as well as the County agencies having engagement as well.

Here are just some of the highlights which we have done: The Citizens Advisory Committee (CAC) began in 2010 and consisted of, at any given point, twelve (12) to eighteen (18) community members with a variety of backgrounds. We had a retired planner, principal of an elementary school, and community members; all a variety of community people that gave input on what they wanted to see for this parcel. What they mainly established were the goals of the framework, which is our master plan which is presented, as well as the design and what they wanted to see incorporated into the development. Moving on, just briefly we have had a minimum of fifteen (15) community meetings held alone in Hanapēpē and ‘Ele‘ele. This does not include the one-on-one meetings we had with particular community groups, business associations, or other parties that were interested in Lima Ola or wanted more information. In the process, we continued to share the ongoing progress of the Lima Ola, as well as to hear the concerns of those that will be impacted by Lima Ola and to mitigate those impacts. We worked on mitigating some of those impacts within our constraints, as well as to continue to preserve the affordability of the project. We have done island-wide meetings and outreach, particularly with the Mayor’s community meetings that are held quarterly. We go around the island; Lima Ola has been presented there. Then we try to be present at events that have high homeownership turn out, our Homebuyer Loan Program, when we have open houses where they are sharing information about Lima Ola; Habitat for Humanity with their groundbreakings and their events; and we have been at the last three (3) County Farm Bureau Fairs, passing out information and receiving feedback.

Mr. Mackler: This next slide highlights why Lima Ola is suitable for residential development. We look at a number of criteria when we evaluate parcels of land. First and foremost, infrastructure. Is there infrastructure capacity available? For this site, there is. For water? There is source storage and transmission that is available for the first phase. The “S” is for “sewer,” which is critical. This parcel is able to use the ‘Ele‘ele Wastewater Treatment Plant capacity and there is ample capacity without any required upgrades needed. As for utilities, ‘Ele‘ele is ideal for solar and photovoltaic, and we have close to the site the ability to bring in electric, cable, and telecommunications. We look at the site, in terms of safety, is if it is within a tsunami zone or flood zone, and in both cases, Lima Ola is outside of those zones. Given its elevation, it is not at-risk. There is road access to the site, initially it will be from Mahea Road and as the development phases in, ultimately there will be a second point from Laulea Road at the *mauka* portion and potentially a third connection to Halewili Road. We looked at the topography for the site; overall from north to south, the site has a four percent (4%) grade, which is very favorable for residential development. It makes it less costly for site preparation and it also makes it a lot easier for Americans with Disabilities Act (ADA) compliance. When we developed Kālepa Village, which had some slope, it made it a lot more challenging for us to meet the ADA compliance for that site. This site offers us that advantage. The soils are favorable: there is slow runoff potential and low erosion hazards. We also looked at the site in terms of its location

to the surrounding area, that it is continuous with the residential community of 'Ele'ele. It is located within one-half (0.50) mile to most services that people need and want and it will be located within one-quarter (0.25) mile to a mainline bus transit stop, eastbound and westbound. Other benefits from Lima Ola that we have considered, well as we have talked about it, will increase housing supply, which we desperately need on this island and it will provide affordable housing units that can serve both current and future demand. As Kanani mentioned, the County owns Lima Ola. We are the fee simple owner and that gives the County the opportunity and ability to direct future development to ensure that the units are permanently affordable for our residents. We are also taking what we call a "multi-prong approach" to Lima Ola. The County is developing the off-site and backbone infrastructure to get the project underway, but we plan to partner for the residential development phases to get financing and development assistance through public and private partnerships, which is something that we have been doing for many projects of recent times.

Ms. Fu: Through the development of Lima Ola, we can provide economic opportunities for our residents and for Kaua'i. Phase 1 construction is expected to infuse more than fifty million dollars (\$50,000,000) into the economy, providing jobs and generating commerce. We have been in contact with many people within the community and a lot of our contractors and a lot of our skilled workers, without good development projects on the island, they often times get placed around the State. So they will spend a few months on O'ahu or a few months on Maui. We hope that a project and development such as Lima Ola encourages this economic growth where we can have our workers remain on-island for a longer period of the time. In addition, we just promote future affordable housing development. We see Lima Ola as an entitled land resource with appropriate zoning and infrastructure and it will serve not only our purposes, but it can serve the purposes of private developers. If they are building market housing, they need to meet affordable housing requirements. They can use Lima Ola as a land area to build affordable units, if needed. It is an option that we have. Because it is readily available, we can expedite the production of the units and we can potentially have developers meet their housing requirements. We know that private developers have difficulty developing housing because the project does not pencil out, and if we have to have an affordable housing component of that development, it further makes it difficult. We see Lima Ola as an opportunity to encourage private development, as well as meet our affordable housing need.

Mr. Mackler: You heard the phrase "201H," so what is "201H?" It is Hawai'i Revised Statute (HRS) and this statute allows for a process for the State and counties to expedite the development of qualified affordable housing projects. I want to also point out that in the County's Housing ordinance, Ordinance No. 860, under Section 9.3, it recognizes that the County may use the 201H process to expedite affordable housing development. It is broad in its scope

and allows for the exemption of all statutes, ordinances, charter provisions, and rules of any government agency relating to zoning, construction standards for subdivisions, development and improvement of the land and the construction of units thereon provided—and this is an important proviso—“provided that the project meets minimum requirements of health and safety.” What 201H can do is it can shorten the development time by years to speed up the delivery of affordable housing and it can offer flexibility in terms of design and design standards to bring cost-savings into the project.

Ms. Fu: In our 201H application that we submitted to the Council, as well as the Resolution before you, “What is the Council approving?” There are some components and we wanted to just present and clarify for the Members, as well as the public. First and foremost, the request to change the project area map designation from Agriculture to Residential, and we would like to use the 201H process to amend the designation area, instead of going through the General Plan. As a result, the General Plan designation will be changed from Agriculture to Residential.

Mr. Mackler: Secondly, the 201H process will change the zoning district boundary from its current designation as Agriculture to R-1, R-6, and Project District. Project District allows up to R-20 zoning and gives flexibility. What you see on this slide and also in your 201H application is a zoning map showing exactly what the zoning changes are for this site. Through the 201H process, we are also asking for a final subdivision approval for the entire parcel, but also noting that Phases 2, 3, and 4, which will be further subdivided prior to development of each of those phases. We want to also maintain flexibility and also provide for a community process to comment on those future subdivisions.

Ms. Fu: In addition, the Council would be approving the exemptions that was submitted within the application, as well as attached as an exhibit to the Resolution. The exemptions requested and its alternative standards really focus on design flexibility for the affordable housing project and its units. In the long run, it creates cost-savings and it maximizes the project’s buildable area in utilizing the 201H process. That is what is before you. We would like to get to this point where we are breaking ground. We realize that we know there is a great need on this island and the Housing Agency is looking forward to meeting some of that need and some of that demand. Thank you for your time.

Council Chair Rapozo: Hang on. I think you are going to be there a little while. Any questions? I just wanted to say that this project has been on the table for quite a while. Basically, this Resolution is necessary so that the project can move forward and get the exemptions necessary to speed up the process. That is what is being discussed today. With that, I just want to thank you folks. Gary, I know you have been involved with this for a long time. Kanani, you have been

there as a director for a short time, but has been with the Housing Agency in this process for a while. Of course, Ken Rainforth, who is no longer with the office and has retired, has also spent quite a bit of time and energy, in addition to many others. Thank you.

Ms. Fu: Thank you, Chair. In addition, we also need the Council's approval, but we also need the approval of the Land Use Commission, so there is another vetting process that we need to move forward with. Thank you.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: Thank you very much for the presentation. I just have a couple of questions. At the end of the day, for the buildout, how many units would you anticipate or the range of units?

Ms. Fu: At the end of buildout, spanning twenty (20) years, we anticipate or project five hundred fifty (550) units. Again sixty percent (60%) of it would be multi-family and about forty percent (40%) will be for residential homeownership.

Councilmember Hooser: And it would be one hundred percent (100%) affordable in what range?

Ms. Fu: The range is up to one hundred forty percent (140%) of the area median income. With this project, just in general, we know that the lower income tenants we can service more with the multi-family rentals, where the greater need is, and then the gap group, the one hundred percent (100%) to the one hundred forty percent (140%), we target potential homeownership. Programs such as Habitat for Humanity that serve the low-income group, we see that as a model that we could utilize within Lima Ola that can provide the lower income group with homeownership opportunities. That is kind of how we would have to model a program if we wanted to serve that income group.

Councilmember Hooser: For the five hundred fifty (550) units, are there provisions to ensure long-term affordability and prevent speculation, if you would?

Mr. Mackler: Yes, there will be. For the multi-family projects, we typically lease the land...we give a ground lease, so we can control the affordability long-term through the terms of the lease. I think for homeownership units, I think the leasehold model that we have been using where we have been buying back units and reselling them, and selling the improvement and not the land, we control the long-term affordability through a leasehold sale. It also makes

the unit far more affordable for many families to be able to participate in that program.

Councilmember Hooser: Thank you. I have more questions, but I will pass.

Council Chair Rapozo: Okay. Councilmember Kuali'i.

Councilmember Kuali'i: Kanani, thank you for your work; both of you. In your first slide, I think you said something about three hundred sixty (360) participants in the Homebuyer Loan Program and only five (5) participants per year are exiting the program, but that includes people passing away and moving away. So is it only a portion of five (5) that are becoming successful homeowners because of the limited supply?

Ms. Fu: Both. So this number is taken over four (4) years. Two (2) years ago, we had approximately fourteen (14) participants exit. It is a combination of both: moving away, passing away. People also exit because they become homeowners on their own. Also, the County's ability to buyback housing units in the buyback program is limited because people remain in their homes; they do not sell it back, they stay. I guess we could look at that as a "success" as well. Also, our opportunity to purchase homes to put into the program—because the housing market has been so high, even with our subsidy it is out of reach for us to purchase, and then sell back at an affordable rate. So we look at a combination of those factors.

Councilmember Kuali'i: So the participants being in the program... what does that mean? Does that take a year?

Ms. Fu: To be a part of the Homebuyer Loan Program, there are several requirements. First and foremost, they would have to do a financial and homeownership literacy class to learn about homeowner budgeting, credit clean-up, and all of those financial aspects.

Councilmember Kuali'i: So if it takes one (1) year for them to get ready, then all they are waiting on is available affordable housing, which there is not?

Ms. Fu: And opportunities that come through our program. We offer direct loans as well for homeownership and construction, so they could utilize that program. We offer residential units that become available, both condominium and single-family. We also offer as we will see projects have to contribute a portion of affordable housing. We can use that list to place people within these housing projects. It also provides us for a really good database to

continue to inform these homeowners of the different housing opportunities, not just what the County is offering, but also what is being offered on-island. They continue to receive updated information.

Councilmember Kualii: In the slide with the blue and red bars, on the top you talk about a planning study from 2011 and 2016.

Ms. Fu: Yes.

Councilmember Kualii: In the chart it says "2016" and "2020." Should it be "2011" and "2016?"

Ms. Fu: No. The 2011 housing study projected the need for 2016, which is the blue bar.

Councilmember Kualii: Okay.

Ms. Fu: The 2016 study projected the need for the 2020, which is the red bar.

Councilmember Kualii: Okay. Now that makes sense.

Ms. Fu: Thank you.

Councilmember Kualii: When Councilmember Hooser said 2016, I was confused. The last one for now is on the third slide, page 5, you said, "one hundred percent (100%) affordable, up to one hundred forty percent (140%) area median income," and then you made a comment about "up to one hundred four thousand dollars (\$104,000) per year and that eighty percent (80%) of our residents are at that level."

Ms. Fu: Yes.

Councilmember Kualii: Eighty percent (80%)?

Ms. Fu: No. One hundred four thousand dollars (\$104,000) for a family of four (4); you can make that maximum and qualify.

Councilmember Kualii: So eighty percent (80%) makes one hundred four thousand dollars (\$104,000) or less?

Ms. Fu: Yes.

Councilmember Kualii: I was thinking...

Ms. Fu: Right now, we are at eighty-three percent (83%) of our population would qualify under the “affordable” definition for our housing policy.

Councilmember Kualii: And the one hundred four thousand dollars (\$104,000) is the one hundred forty percent (140%)?

Ms. Fu: Yes, that is the high range.

Councilmember Kualii: Okay. Thank you.

Mr. Mackler: One thing to add, Councilmember Kualii, is in your 201H application, there is an exhibit which is our Warranty Deed. When we acquired the land, there is a restriction that ties the residential sales on this project to the affordability, as it is defined by the County’s ordinance. We are locked into that ordinance and that definition.

Councilmember Kualii: Basically, you can go up to one hundred forty percent (140%). Of the five hundred fifty (550), when the project is all done, is there a breakdown of amounts that need to be at each level? You said sixty percent (60%)/forty percent (40%) as far as single-family versus multiple, and homeownership versus rental, but how would that happen?

Mr. Mackler: There is a market study in the 201H application as an exhibit that I would suggest you take a look at, because it does have an allocation of housing units needed across those different income groups. We have always thought about this project. As we go through the phasing and the implementation, we even do updated studies just to reevaluate what the needs are and what the appropriate product type should be to meet the needs of the community, to make it as impactful as it can possibly be.

Councilmember Kualii: Thank you.

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: Are we only asking questions on the presentation or can we ask questions on the application?

Council Chair Rapozo: Now would be the time to ask the questions on the application or the presentation.

Councilmember Kaneshiro: For the application, I had one (1) question. I noticed that at the very end, the plan did not include a pro forma operating budget



and it said it was to be determined by a developer at a later date. Can you elaborate on that?

Mr. Mackler: It is too preliminary for us to be able to furnish you with that information. Our intent, as we develop this project site is to issue, as we have done in the past for a number of projects, a request for proposals which allow private for-profit and nonprofit developers to propose, whether it is a multi-family or single-family development, to us with their budgets. We know from recent projects what a housing unit costs for multi-family to produce on this island, mostly because we have mostly been doing multi-family. But it is just too early for us to furnish you with that information.

Councilmember Kaneshiro: So we would be putting in infrastructure and getting the water and sewer, and a developer would have the opportunity to bid on Phase 1 and say, "We will pay this much for the infrastructure to build these types of buildings or whatever is in the specifications?"

Mr. Mackler: They would have to meet any fees that are still required. For example, a Facilities Reserve Charge (FRC) is for water availability. They would give us complete development proposal from A-Z to build the project.

Councilmember Kaneshiro: Will they be reimbursing us for the infrastructure that we have put in?

Mr. Mackler: It depends what they are doing and it depends how we structure the agreements. If it is multi-family housing for permanent affordability, in all likelihood we are going to leave the subsidy in place because it will just give us perpetually affordable housing. We may also consider that for leasehold. If they are coming in to build single-family product or duplexes for ownership through a leasehold form of ownership, we may also consider leaving subsidy in there as well, because that will directly impact the affordability of those who purchase the product, but it will also keep the inventory in affordability long-term.

Councilmember Kaneshiro: I see the benefit of going through this. You were able to do it with a little more flexible where the County is able to do it faster and cheaper. So if somebody was to come in and do the project, they are getting the benefit of not having to go through that entire process, so it is like, "Here we have it. What are you folks going to offer?" I guess we are going to see eventually.

Mr. Mackler: Yes. That is really the reason you would actually do a 201H application, to shave off years from the conventional time that it

takes to go through land use, to go through zoning, subdivision. It is a very lengthy process to get through all of these hurdles and this is a way to expedite it.

Councilmember Kaneshiro: Ultimately in the end, the cost that we saved on being able to do it faster is going to get passed on to the end user?

Mr. Mackler: Yes.

Councilmember Kaneshiro: Okay. Thanks.

Council Chair Rapozo: There is no way a developer could produce a project like this if they had to purchase the land, do the infrastructure, build the units, and make money at the same time, right?

Mr. Mackler: Probably not with a one hundred percent (100%) affordable housing project. Normally, a 201H, as it has been used by other counties in the State has required that at least fifty-one percent (51%) of the units are affordable. Most of them do forty-nine percent (49%) market because they need to market sales to subsidize the cost of building affordable units. That is traditionally how it has been going. In our case, we are a little different. We, as the County, are the applicant developer and we are proposing to do one hundred percent (100%) affordable, so it is outside of the norm.

Council Chair Rapozo: Right, because the 201H was really created by the legislature for developers, not counties.

Mr. Mackler: Correct.

Council Chair Rapozo: The developer would be applying for a 201H exemption so that they could maximize...really, the time and money is what really matters to the developer. So this basically takes it out. To me, I think the law should be one hundred percent (100%) affordable. I do not think any developer should have an exemption if they are not doing one hundred percent (100%) affordable. In this case, the County is the applicant, right?

Mr. Mackler: Yes, it is.

Council Chair Rapozo: And it is a one hundred percent (100%) affordable project?

Mr. Mackler: Yes.

Council Chair Rapozo: Which I do not think exists in this State.

Mr. Mackler: I do not think so either.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: Again, it sounds like a great project to me and it is much needed. How would we accelerate it even more? If it is going to take twenty (20) years to buildout, how do we make that ten (10) years or fifteen (15) years? Are there ways to do it? That is one question. How do we get started on other similar projects in other parts of our community besides this? I know you folks are busy, to put it mildly. I am serious. What resources would be needed if we wanted to accelerate this and perhaps start planting seeds for the east side, north shore, or other areas?

Mr. Mackler: To answer your first question, we never looked at Lima Ola as a one (1) phase buildout; it is too large. We have looked at it as a parcel of land that we could develop some of it initially, have it entitled, and have the infrastructure in place to go on to future phases more quickly, as those units are needed to supply the market. That has been our thinking and our strategy from the very beginning. Even from the resolution that the Council passed back in 2004, it talked about banking land, if necessary, for future development. I think we are at lockstep with the intent of that resolution. As I mentioned just a little earlier, what we would do is we will do ongoing market studies along the way because markets change and needs change. We want to make sure that if we are going to build product on this parcel that it is really what needs to be built and that we can be mindful to that. Hopefully I answered your first inquiry. I do not know if I got it all.

Councilmember Hooser: Actually, you kind of the did, but I do not know if I am happy with it. The first slide talked about the incredible demand and the first phase is one hundred twenty-nine (129) units.

Mr. Mackler: Okay.

Councilmember Hooser: How do we accelerate it to satisfy the demand in this particular slide?

Mr. Mackler: That slide is an island-wide demand; it is not a Lima Ola demand. So not all of that is going to be absorbable or get absorbed in the Lima Ola project. Even when you develop affordable housing, you have to be careful and look at whether or not the product you built will be absorbed timely or not. For us, what we have seen in the market study that was done for this site, we have the ability to absorb it within seven (7) to ten (10) years, actually all of it, according to that study. We tend to take a little bit of a cautious approach when it comes to that.

Councilmember Hooser: Thank you for the clarification. The second question is how do we start planting seeds of similar projects in other communities where housing is also of great need? How do we do that and what resources do we need to support that?

Ms. Fu: Land. Part of it is if the County was to take on another 201H project, it is securing the appropriate land for such a project. I believe there is a resolution to reaffirm what we are doing, which is to land bank. The County needs to look at investing in land for housing that can be used for future uses, or similar to what we have been doing is we work very closely with the private sector to create opportunities to bring to the table more subsidies that can create affordable housing. For most private developers, it is not a social issue for them; it is a financial one. It is a social issue for us. So how do we make both of our goals marry? It is through what the County can bring; that is our subsidy, using our policy, and using our advocacy as well.

Councilmember Hooser: Go ahead.

Mr. Mackler: No, I was just thinking about a conversation I had yesterday where the developer said we need two (2) or three (3) of these Lima Ola projects on the island.

Councilmember Hooser: I agree. Is it a matter of identifying land first of the all or identifying willing landowners?

Ms. Fu: "C, all of the above."

Mr. Mackler: Yes.

Councilmember Hooser: I know that your plate is already pretty full, so is there someone focused on reaching out to landowners or looking at maps and identifying...

Ms. Fu: "C, all of the above." We have been, yes.

Mr. Mackler: But when the resolution in 2004 was passed, then Mayor Baptiste was meeting with groups of landowners and developers to find land, and I think that is the kind of step you need to take to really bring everybody in the room and start talking about it and seeing what the possibilities are.

Councilmember Hooser: Because it is such a long pipeline, it is obvious that we needed to start yesterday on all of this and I know you have. Thank you.

Council Chair Rapozo: Ironically, the resolution following this one is almost a duplicate of what was passed in 2004. Today is 2016—twelve (12) years later before we can even get to a point where we can see the results. Councilmember Kuali'i.

Councilmember Kuali'i: When you were talking about the housing needs shown in that slide with the red and blue bars, one thousand seven hundred eighty-two (1,782) is the total, and then one thousand seventy-nine (1,079), the sixty percent (60%) you said is to supply low and very low-income families. What is the low and what is the very-low as far as those percentages?

Ms. Fu: The low would be those that make within fifty percent (50%) to eighty percent (80%) of the area median income.

Councilmember Kuali'i: So the second bar?

Ms. Fu: Yes. The very low is below fifty percent (50%).

Councilmember Kuali'i: So those two (2) on the very bottom make up more than sixty percent (60%)...

Ms. Fu: The greatest need, yes. Thus, requires the greatest attention and subsidy when we look at housing.

Councilmember Kuali'i: Do you know what the numbers are and how they breakdown the two (2)? Is that seven hundred sixty-six (766) and three hundred fourteen (314)? No, that is forecasting.

Ms. Fu: For units, yes. Forecasted units for 2020.

Councilmember Kuali'i: So the other slide...can you show that slide again with the map, the one that is right there? For the big project, that is sort of like a conceptual drawing of what it could look like, right?

Ms. Fu: Yes.

Councilmember Kuali'i: There is some housing coming up there right now, right? Is it directly adjacent?

Mr. Mackler: Kaua'i Habitat for Humanity is developing Phase 2, Increment A, and they have twelve (12) complete and four (4) additional

that are nearly complete, and fifteen (15) more to start in a couple of months. So they are building it out.

Councilmember Kualii: Was that done in conjunction with the County? Is that part of the land?

Mr. Mackler: No, Kaua'i Habitat for Humanity purchased that land. They are the fee simple owner of 'Ele'ele Iluna; however, the County has been assisting this project with Community Development Block Grant (CDBG) funds for offset infrastructure and HOME Investment Partnerships Program (HOME) funds for the offset infrastructure.

Councilmember Kualii: With preparing the clients, the potential homebuyers, right?

Mr. Mackler: Kaua'i Habitat for Humanity has a homebuyer education program that is required for their participants. For their self-help building program, they bring their participants, their families, in to take them through that training.

Councilmember Kualii: You said that this entire project would be about also bringing in developers and perhaps other self-help builders to help with the lowest end.

Mr. Mackler: Yes.

Councilmember Kualii: Is it broken down, like how much of the land is dedicated to that purpose?

Mr. Mackler: No, we have not broken it down that way.

Councilmember Kualii: But the opportunity is there?

Mr. Mackler: Yes.

Councilmember Kualii: I would imagine that with the current habitat program, there is probably a lot of interest and only so many people could be helped. So they, too, probably have a long waitlist, if you will.

Mr. Mackler: They do. I think Stephen Spears is still here. He is the Executive Director and I think he will be up here to give some testimony and I am sure he can share with you how many participants or potential participants they have for their program.

Councilmember Kualii: When you talk about land and the efforts of former Mayor Baptiste from prior, where is number two or number three potentially? Have there been any other sites identified?

Mr. Mackler: Since Lima Ola was acquired, which was in 2010, the County went out and purchased the lands, the two (2) parcels for the Rice Camp Senior Housing Project, which is partially built and is finishing up. In November, they will finish up the last thirty (30) units there to complete the ninety (90) units. So that was an acquisition that occurred after the Lima Ola acquisition. We have also been working since the acquisition of Lima Ola with nonprofits and for-profits to buildout projects like Pa'anau Village Phase 2, Kolopua in Princeville, Rice Camp, working with the Kaua'i Habitat for Humanity for 'Ele'ele, and also moving forward with the Koa'e Workforce Housing Project that we are working with a developer to start developing and constructing next year. We have not stopped anything for Lima Ola necessarily. We have been moving on every project that we can possibly move on.

Councilmember Kualii: With some of those other projects that you mentioned, even though they are a lot smaller than Lima Ola...five hundred fifty (550) seems huge, but it is needed. Did they also utilize this exemption process?

Mr. Mackler: No. In fact, for the County of Kaua'i, this is the very first 201H-38 project. We have used exemption powers under 46-15 of Hawai'i Revised Statutes on a much more limited basis. We have done that several times in the past for exempting various elements to a subdivision, for example. Like for the Puhi self-help, we used it there. This is our first 201H. So we are the test case here; we are the guinea pigs.

Councilmember Kualii: So the 2004 resolution supporting a land bank, then six (6) years later in 2010 you have the purchase of the land in 'Ele'ele; now here we are another six (6) years later and the way to expedite it is to keep it moving to approve this Resolution today, right?

Mr. Mackler: Yes, it is. This will be a milestone in terms of entitling the land. As Kanani mentioned earlier, we still have to petition the Land Use Commission, which we will move into immediately. We could also, with a 201H approval, complete the subdivision design and prepare for 2017 to go out to bid for the infrastructure improvements.

Councilmember Kualii: So the last part on that expediting, I saw something about having to act within forty-five (45) days; when did the clock start? What day are we on now?

Ms. Fu: It started on August 5<sup>th</sup>.

Councilmember Kualii: So we are on day twelve (12), so we do not have too much time to act. Thank you.

Council Chair Rapozo: I have one quick clarifying question as far as the land use application. Are you requiring this approval before it goes or is it simultaneous or it can run parallel? Has that already been submitted?

Ms. Fu: It has not been submitted. It has been recommended that we get Council approval first before petitioning the Land Use Commission. Historically, people have gotten Land Use Commission approval, and then petitioned the Council, but the Council did not agree. So this is just a procedural...

Council Chair Rapozo: If I am not mistaken, I understand that the Land Use Commission process also has a forty-five (45) day window as well. Is that correct?

Mr. Mackler: In the same statute there is a portion of that statute which also allows for expediting through land use.

Council Chair Rapozo: Land use decisions...

Mr. Mackler: I do not know if anyone has ever attempted to do that. We may be the first on that front as well, but that is our plan. We are going to start that and move it through.

Council Chair Rapozo: So your plan is until we get Council approval on this Resolution, you are going to wait for that before you move with the Land Use Commission?

Mr. Mackler: We are, and that is under the advice of the staff at the Land Use Commission that we have discussed this with multiple times. They have told us that we should move through the County-level first.

Council Chair Rapozo: Which makes sense. Okay. Thank you.  
Councilmember Yukimura.

Councilmember Yukimura: So on the habitat parcel—can we have the map up again? What is the ultimate buildout?



Mr. Mackler: I think there are eighteen (18) in the first phase and one hundred seven (107) in the second phase, both increments. I hope I got that right.

Councilmember Yukimura: So a total of about...

Mr. Mackler: One hundred twenty-five (125) units.

Councilmember Yukimura: Okay, so one hundred twenty-five (125) units, plus five hundred fifty (550) units would be a total of six hundred seventy-five (675) units in that area of all affordable housing.

Ms. Fu: Over twenty (20) years.

Councilmember Yukimura: Yes, of course. Our role as the Council is to really do an accelerated process that condenses what is normally a process that goes before the Planning Commission, has a public hearing and input is circulated to all the different departments, gets the feedback in terms of water, sewer, availability, traffic congestion, and so forth where the results go in the form of a Planning Department report, and then comes to the County Council where there is a public hearing, and then we also go through that process. Actually, now the Council's role is to make sure that all of those issues are taken care of, right?

Ms. Fu: I suppose the Council's role is to review the application and to decide whether or not we conform or the developer meets the expectations of what the Council would want from an applicant and a project.

Councilmember Yukimura: But in fact, we are shortcutting the Planning process, so we should actually be making sure that all of the Planning issues are addressed, right?

Ms. Fu: Procedurally, the 201H process within the County Housing Agency does require a 201H application before it comes before the Council to be routed through the agencies.

Councilmember Yukimura: Okay.

Ms. Fu: So there has been extensive review by each department like Planning, Water, and those that you mentioned earlier. Then we go back and we work through the exemptions and the alternate standards, and then we fix those and reroute it again to the agencies to ensure agreeable terms of the application.

Councilmember Yukimura: Very good. Can you refer us to the Planning Department report on this project?

Ms. Fu: The Planning Department report?

Councilmember Yukimura: Yes.

Ms. Fu: There is a Planning Department review that was conducted.

Councilmember Yukimura: Is it here in the folder that you have given us?

Mr. Mackler: There is a letter from the Director.

Councilmember Yukimura: Can you tell me where that is right now?

Mr. Mackler: Yes.

Ms. Fu: It would be under "Exhibit 8" with the consultation and it is towards the back. So you will see a letter from the Department of Water, and then a response from the Planning Department. The letter is dated August 1, 2016.

Councilmember Yukimura: Okay. We are supposed to make sure that the impacts of this development will not be detrimental to the larger community, so my question is what are the regional and island-wide traffic impacts of this development?

Ms. Fu: The Traffic Impact Analysis Report (TIAR) that was conducted is located in the application as an exhibit. A regional traffic study was not conducted for this project, and historically, developers have not done that before. We have done what is required of us, which was the Traffic Impact Analysis Report.

Councilmember Yukimura: So the fact remains that traffic from the west side to Līhu'e and the south shore is reaching very problematic proportions; even now. So if there is going to be a major traffic impact from this project, there might be a consideration of—well, my next question is, is this six hundred (600)...actually seven hundred seventy-five (775), almost eight hundred (800) units, going to be basically the affordable housing for the west side?

Mr. Mackler: I think it is reasonable to conclude that this parcel will provide the main source of supply for affordable housing, yes, for that region.

Councilmember Yukimura: I know that the Housing Agency has been working with a nonprofit to develop some really potentially wonderful housing in Waimea, and I have read the letters in support of this where people are working at the Pacific Missile Range Facility (PMRF) or they are working on the west side. So actually having some housing in Waimea, Kekaha, and even on the west side of Hanapēpē could really be much more functional. When Lima Ola was decided upon, was there a study to show where the best site or sites would be for affordable housing on the west side?

Ms. Fu: No.

Councilmember Yukimura: That is one of my concerns.

Mr. Mackler: Let me just...

Councilmember Yukimura: That is one of my concerns, that we are putting all of our very limited resources into this one place where there is potential because of the aggregation of the affordable housing in one place that it is not as functional as if we had thought through where the best places are for affordable housing. That goes then to developer expertise.

Council Chair Rapozo: Hold on. I have a follow-up from Councilmember Kagawa on that.

Councilmember Kagawa: I think some of the concerns about the traffic study and gauging the impact of Lima Ola to the traffic, and I am assuming that she is talking about the traffic from a person that may live in Lima Ola, traveling into Līhu'e, like a typical commuter, which may add to that volume; but the fact of the matter is that there are a lot of residents, I think, that maybe live in their parents' house on the west side that may qualify for Lima Ola, and that would not add to the traffic because the car is already traveling now from the west side to Līhu'e. So it is kind of difficult because you folks do not even know what segment of the local population is going to be buying. It may be somebody from Kapa'a who works at the base that will now be able to purchase at Lima Ola, which they will alleviate some traffic from Kapa'a and they will have no impact to Līhu'e. I imagine that it is very difficult to gauge when you do not know what segment of the population is going to be purchasing Lima Ola, right?

Mr. Mackler: Agreed.

Councilmember Kagawa: So back when Councilmember Yukimura was the mayor, we had the Cliffside subdivision. Did they do a traffic impact study there?

Mr. Mackler: I could not tell you, but Cliffside...

Council Chair Rapozo: Let us stick to Lima Ola.

Councilmember Kagawa: I am just...

Council Chair Rapozo: I understand what you are saying, Councilmember Kagawa, but...

Councilmember Kagawa: She is asking for a traffic study, so I wanted to know if she did a traffic study when she was the mayor.

Council Chair Rapozo: I understand, but we are here to figure out a way to expedite these things. I just want to focus on the application.

Mr. Mackler: As to your point, Councilmember Kagawa, we all know people who move in different directions where they live and where they work. It is not "one size fits all" over here. I do know people who live in Līhu'e that work on the base and make that commute. I have talked to people who have said that Lima Ola would be an option for them to consider as a place to live because it would bring them closer to where they work. That may not fit everybody; it probably will not. It is just that everyone has their own situations. That is our island.

Councilmember Yukimura: May I continue?

Council Chair Rapozo: Hold on. This is a twenty-year plan, correct?

Ms. Fu: Yes.

Council Chair Rapozo: Do we know what the situation will be five (5) years from now?

Ms. Fu: No.

Mr. Mackler: We are looking at a first phase buildout of one hundred fifty (150) units. It is not out of line with other developments that we have that we have been involved with. Kālepa is one hundred eighty (180) units; Koa'e that we are developing in Po'ipū is going to be one hundred thirty-four (134) units; Pa'anau is one hundred ten (110) when you take the two (2) phases; plus

Kawailehua, which is another fifty (50) units—you have one hundred sixty (160) plus units there. So in looking at Lima Ola and looking at the first phase and the scale of it is rather consistent and in-line with what we have been doing elsewhere.

Council Chair Rapozo: Do you have a new issue or a continuing issue?

Councilmember Yukimura: I have a continuing issue.

Council Chair Rapozo: On the planning process?

Councilmember Yukimura: Yes.

Council Chair Rapozo: Okay. Go ahead.

Councilmember Yukimura: There is a section on developer applicant experience and...

Council Chair Rapozo: That is a new issue.

Councilmember Yukimura: No, it is not. It is regarding the planning experience of the developer.

Council Chair Rapozo: Other Councilmembers want to ask questions as well, Councilmember Yukimura. I just ask for the courtesy that when you finish one line of questioning, I would ask that you yield the floor to other members because it is not fair. Councilmember Chock has been waiting for quite a while now. You went to planning, the public hearing process, and all of that, now to developer qualification, which is a new issue. It is a separate topic.

Councilmember Yukimura: Well, I have a lot of questions about planning.

Council Chair Rapozo: So does Councilmember Chock.

Councilmember Yukimura: Well, thank you. I want to ask about the planning issue of water.

Council Chair Rapozo: Okay, then you know what? I am going to give the floor to Councilmember Chock. I see what you are doing and I am not going to let that happen. Councilmember Chock, you can go ahead and ask your question. It is not "okay, then I will go this." Come on, let us just be fair. Councilmember Chock.

Councilmember Chock: My question is about the exemption. It talks about sort of what looks like some shortcuts that we can take and my concern is more about what the shortcuts are in reality. It says, "provided that the project meets minimum requirements of health and safety," and I do not want us to skimp on some of these things. I want to get clear on what you anticipate those shortcuts being in terms of the actual project that might impact the quality or outcome for our citizens?

Ms. Fu: Our process, which is our administrative rules to administer 201H, considers that as well. If you are a regular developer, you would have to...using County funds, you may have to do an Environmental Assessment (EA). If an EIS was needed, then you would continue with the EIS. However, with Lima Ola in particular, the major shortcut we are taking and the major speed-up is that we are asking to use the 201H process to re-designate the land from Agriculture to Urban, and then from Agriculture to Residential. We shave years off of that process, because if for example we wanted to entitle land like that and currently the land was zoned Agriculture, if you wanted to zone it into Residential, you would need to wait for the General Plan update, which is happening now; it is currently going on. But Kaua'i has not had a General Plan update, I believe, in sixteen (16) years. So a traditional developer would wait that long or would petition the Planning Department, and then they would need to petition the Land Use Commission. What we are asking here is to be exempt from the General Plan process, that we entitle and rezone the land using the State law, using the 201H process that is afforded to projects that meet minimum affordable housing standards, which we are.

Mr. Mackler: So kind of just a follow-up to that is part of that process, as we have mentioned, is do the consultations and submit the proposed exemptions to all of the line-review agencies, which we have done not once, but twice, to ask them if there were any exemptions that pose health and safety issues and to try to flush out what those issues are. We have gone through that process with the reviewing agencies, and if there is a response and feedback that raises health and safety issues, we would be very responsive to that.

Councilmember Chock: Okay.

Councilmember Yukimura: I have a follow-up.

Council Chair Rapozo: Go ahead.

Councilmember Yukimura: I do not believe it is correct that you have to wait for a General Plan update to apply for a General Plan amendment, right?

Ms. Fu: Our request is for that, to be exempted from the General Plan process. That is what this project is requesting. So the question was, "What are we speeding up?" That is what we are speeding up.

Councilmember Yukimura: You do not even have to be part of the General Plan update process. The Comprehensive Zoning Ordinance (CZO), as I understand it, allows for application every quarter.

Ms. Fu: Or a General Plan amendment. We want to be exempt from an amendment to the General Plan. We want to use the 201H process instead of what is in the CZO.

Councilmember Yukimura: Okay, so you do not have to wait for the General Plan update process in order to apply for a General Plan amendment?

Ms. Fu: No.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: Along the similar lines of what Councilmember Chock was...but mine are more tangible...I understand accelerating the process. My question is about the standards of development and looking at the exhibit. We were talking about smaller lot sizes, less setbacks, no curb and gutter, and a whole litany of exceptions, if you would, to what everyone else would have to accommodate. I think what all of us want to make sure...I will speak for myself...I applaud the effort and I know the need and it sounds like a great project, but the concern would be that at the end of the day, this looks like an affordable housing project. It looks substandard, if you would, and I am sure we all want to avoid that. I am sure the Planning Department has reviewed this. How will this look different from the neighborhood across the street? Are there less parking requirements? Are there smaller roads?

Mr. Mackler: Well, the exemptions that are there does not necessarily mean that they will all be used, but what it does through this approval now is it gives approvals to deviate from some of those standards, if it makes sense to do so in the future, as portions of this site are designed for housing product. We will still control the quality of the layout and quality of the housing product. I think you have seen what we do in projects that we have done in recent times. I think having flexibility can afford some cost-savings along the way and possibly provide more compact housing product, different types of the product. Maybe zero lot line, row housing, or cluster housing. There are different concepts that are out there

that have not been used much on Kaua'i, but can provide very nice housing alternatives. I think those standards lend themselves to giving us future options.

Councilmember Hooser: So even though on the surface the standards look like they are being reduced, if you would, you are confident that at the end of the day your project will be designed and built-out in a manner that the residents will be proud of?

Mr. Mackler: Yes, as well as the community. As Kanani was mentioning, many of these projects will still have to go through permitting, Class IV zoning permits, for example. So those considerations will be in front of the Planning Commission and community.

Councilmember Hooser: Okay. Thank you.

Councilmember Yukimura: I have a follow-up.

Council Chair Rapozo: Go ahead.

Councilmember Yukimura: So in the lowering of standards or exemption from standards, this takes very smart subdivision development. In terms of the County Housing Agency's expertise on developing subdivisions, especially a large subdivision like this, what is the County's experience? What large subdivisions has the County done before?

Mr. Mackler: As a direct developer, very few. There are some that date way back when the Housing Agency added a development division that they have done. However, we have developed directly projects like Pa'anau Village and projects like Kālepa Village. We developed it from the very beginning, all the way through. We have worked very extensively in predevelopment with lots of private for-profit and nonprofit developers to develop projects like Rice Camp and Kolopua and working right now with Koa'e. So as to your question about doing largescale single-family subdivision development, not in recent times, we have not.

Councilmember Yukimura: Well, have you done any? So the County Housing Agency's current experience, who do you have in your division that has done a largescale subdivision?

Mr. Mackler: Well, the County Housing Agency...

Council Chair Rapozo: Real quick, I need some clarification on that question.

Mr. Mackler: Sure.



Council Chair Rapozo: Did the Housing Agency do the conceptual and all of the planning of this project?

Mr. Mackler: No, we retained a consultant to that.

Council Chair Rapozo: I think that is the answer. We did not do it. We hired a consultant, an expert. If you look at this design, that is a nice design. So it is not the County. We do not need to know who does what. The bottom line...

Councilmember Yukimura: Excuse me...

Council Chair Rapozo: No, I think it is an unfair question.

Councilmember Yukimura: Chair, I think you have the right to say it is an inappropriate question or it is rude or whatever, but I think I am entitled to ask questions that are relevant. It is an issue in the 201H process, the developer's experience that is part of the evaluation.

Council Chair Rapozo: Councilmember Yukimura, Councilmember Hooser asked the questions about lowering the standards of the development and you said you had a follow-up. Now you are going into, "When did the County do a subdivision," and Councilmember Kaneshiro is waiting to ask a new question.

Councilmember Yukimura: Because, it is relevant.

Council Chair Rapozo: In your mind, it is. I am trying to conduct this meeting where everybody has a fair shot and you are stretching a follow-up into a new category.

Councilmember Yukimura: I do not believe that is so.

Council Chair Rapozo: This will go beyond the lunch period and I know there are nine (9) people so far that are registered to speak and I want to get you in if you cannot stay until after lunch or if you want to come back after lunch. Is there anyone here that would like to testify before we break for lunch so you do not have to come back? I need you to raise your hands because this is the timing issue. I want to make sure that we get the public's input today and not have you wait through, because there is going to be more of this after lunch and I want to make sure that we get your testimony so you do not have to come back. Mr. Mackler, you can stay there because I want to finish up what we are on, and then we will take the public testimony. I think we have a caption break coming up as well. Councilmember Yukimura.

Councilmember Yukimura: What is the experience in your department?

Mr. Mackler: Let me answer that, Councilmember Yukimura. I have been working in the Housing Agency for twenty-four (24) years. I started at the time Pa'anau Village was being developed. I have worked with every single development and it is probably been close to twenty (20) developments now that this County has shepherded through, financed, and assisted developers through the process through all of the processes of development. I think we have a proven track record of accomplishment of completing projects. It is irrefutable, in my opinion, and I do not see Lima Ola being any different, frankly. We have good consultants that are onboard now and we have a good team to move this project to development. It is a little different because it is a little bit bigger than anything we have taken on in terms of a land parcel, but the process does not change all that much. The process is the process.

Councilmember Yukimura: I agree with you that it is irrefutable; the accomplishments speak very clearly for the quality and just the whole way that the Housing Agency has performed. I am not questioning that. But it is, as you said yourself, Gary, that it is another level. It is much larger than we have done before and I think there are a lot of issues in terms of traffic and actual functioning of a community that needs to be addressed here. For example, this is not a mixed-use community because there is no commercial allowed by the deed restriction, which means that you cannot have even small neighborhood commercial there so people can walk to get some milk or small things; people will probably have to get into a car and drive. Also, there is the issue with the access of Safe Routes to School. There is a real question whether there will be a safe walking path to the elementary school. Again, that means that people will get into their cars and drive. These are issues of very important smart growth issues that impact a community tremendously. Thank you.

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: I actually had a follow-up on what Councilmember Chock and Councilmember Hooser was saying. When I first read the 201H law, it seems pretty harsh as far as your exemption to all of these statutes and ordinances. It almost seems like you would end up building just like a tent or something, but I remember seeing in here somewhere that you are going to follow all of the statutes. You are only asking for these few exemptions, which are like lot size to increase density, to get the land changed from Agriculture to Residential, and I think there were some parking exemptions. I just wanted to confirm that...I know that at first glance at the language, it seems harsh and that we are just going to put up a shanty house, but I know the plan says that we are following everything and these are the few exemptions that we are looking for. It seems like these exemptions are basically to maximize density and maybe economies of scale on

certain things, so I just wanted you folks to confirm that, without me finding that page where it is at.

Ms. Fu: In "Exhibit 7," there are the exemptions, which we are requesting. It is very minimal, considering what we could have asked for. We did this process with prudence. I believe we did a really good job and great effort was put towards consulting with not only within our agency, but with the community, as well as with other department agencies who play a role in this development like the Department of Public Works, the Planning Department, the Police Department, the Fire Department, the postal service, and the school. We have considered their feedback and it is integrated in this project. It is even integrated in the exemptions of changing some of them and removing some of the exemptions, or even adding some in that was suggested to us by other departments. Again, to reiterate what you said, Councilmember Kaneshiro, the requests are purposely for two (2) reasons: cost savings and maximizing building area, which allows us the flexibility to put in more units. Should the market study that we conduct in Phase 2 determine that we need more units, we have that flexibility to do that. We have the flexibility to do attached and detached. We do not know what five (5) years will bring. We have done, again, a very prudent job in considering these exemptions. I do not think we would sit here today and put in exemptions that we know would be harmful to our community or twenty (20) years from now would cause an uproar. I do not think that. I know for a fact that we did a really good job vetting this through every department. I can almost apply for the Planner IV position because we have spent hours and hours with the Planning Department. We spent hours and hours with the Department of Public Works. We spent days and days. This is not something that we dreamed up. It is years in the making.

Councilmember Kaneshiro: For me, I appreciate the exemptions that you are asking for. I did not mean to say "shanty." You could take that language and say that we are going to build substandard housing or something. Maybe we say we will put a tarp over the house to save on costs, but we are not doing that. I think you folks really considered the exemptions and a lot of it was to maximize what you are doing; maximize the density, try to get the affordable housing there, and give you flexibility for the look and feel of it. I just wanted to reiterate that it is all standard, everything will be up to par, and these exemptions are basically just to adjust density and things like that or get the land from Agriculture to Residential.

Ms. Fu: Yes.

Councilmember Kaneshiro: Thank you.

Council Chair Rapozo: The exemptions are to make this project happen, because without this it is not going to happen. That is just the bottom line. I am going to ask the public to testify now because we are getting closer to lunch

and I do not want to have to drag them back after lunch. The rules are still suspended. Who is the first registered speaker?

Ms. Fountain-Tanigawa: The first registered speaker is Milani Pimental, followed by Chad Deal.

Council Chair Rapozo: If you are going to be back after lunch, then I would ask that you allow a person that cannot come back the opportunity to speak. How many of you cannot come back after lunch? Go ahead.

Ms. Fountain-Tanigawa: Milani Pimental.

Council Chair Rapozo: Milani said that she will yield her turn for a speaker who has to leave. For all of you who are here, you will have three (3) minutes to speak on your first go-around. When the light bar is green, that means you can start. When it hits orange, that means you have thirty (30) seconds left. When it goes to red, that is the end of your three (3) minutes. You can come back for a second round after everyone else has spoken. You can start by stating your name for our captioner.

DELILAH PUNDYKE: *Aloha.* Thank you for having me here. My name is Delilah Pundyke. I come here on behalf of the low-income families or the very low-income families to express the need that affordable housing is needed everywhere on the island. Even with the traffic congestion, I think that all of that can be worked out with the due diligence in the planning. I am currently a homeowner candidate for Kaua'i Habitat for Humanity, and when I heard about the Lima Ola project, I was excited because it is going to give the west side families opportunities to become homeowners. With the homeowner buyers programs, the steps that the County is giving us families on the west side are incredible. It helps families like mine to move and to attain a dream, to help our dreams to come true. I stand here to support the affordable housing. Thank you.

Council Chair Rapozo: Thank you. Can we have the first speaker back again?

Ms. Fountain-Tanigawa: Milani Pimental.

MILANI PIMENTAL: Good morning, Councilmembers. Thank you for having us. My name is Milani Pimental. I am here as a representative of the Kaua'i Habitat for Humanity, where I work as the Resource Development Director, along with my Executive Director Stephen Spears. What we would like to offer today is really our support of this much needed Lima Ola project here, especially on the west side. In our experience, when we put out our recent offering back in 2014 for our 'Ele'ele Iluna project, we were looking to fill about thirty (30) of our first

initial spots. Our list of applicants there of people interested in habitat was about two thousand (2,000) strong at that time. We had some public meetings and maybe gathered in total five hundred (500) plus people, families, households, from mainly the west side. We had some from Līhu'e and a few from the east side. Even looking at that greater two thousand (2,000) person list there, the bulk of it is from the west side. Out of that initial group...that process started in 2014. We are now finishing the first twelve (12) of that phase 2. In addition to that, in total, thirty-one (31) households have been loan-qualified. We are continuing, thanks to the support of our local government, like you folks and other supporters. In the office, we still see forty-five (45) people a week come in, expressing their need. Again, it is primarily from the west side. We have the pleasure of receiving every year long-term volunteers from the Federal AmeriCorps program. When they come in, we have some big work to do to get them up to speed on our community, what our profile is, who our people are, what we do, what do we need. So we tour them around, talk to them, and introduce to people. One of the things that they always ask is, "Gosh, we are looking at these houses here, houses that you have done, and houses that have been here before the hurricane—why are there so many cars at each house?" Well, it is because sixteen-year olds and older who are working and need to get to places have a car. They need to be mobile. You will point out a house, "That is Auntie's house" and there are four (4) families living in that four-bedroom house. In addressing the traffic and what not or added bodies in the school...I mean I think some of our schools could use the added enrollment on the west side for sure, but with the traffic, the bodies are already there. They have been there for generations. We are looking today and we are still battling that whole "Kaua'i brain-drain." Our eighteen-year olds to twenty-year olds are leaving all of the time. Why? Because they do not have opportunities here; there is no housing.

Council Chair Rapozo: Okay. I have to stop you there. Were you going to speak as well, Sir? Go ahead. Please state your name for the record.

STEPHEN SPEARS, Executive Director of Kaua'i Habitat for Humanity:  
Steven Spears, Executive Director representing Kaua'i Habitat for Humanity. As far as the applications, I know there is a concern with traffic. Out of our first twelve (12) applicants, ten (10) lived in the area. There was one that was living in Līhu'e, but I believe he worked on the west side. It was availability. One family was in Kapa'a, so most of our applicants are already in the area. I know I did a search on that list of two thousand (2,000) and about eighty percent (80%) to ninety percent (90%) were from Līhu'e/west. I just had very few that would apply from the north side of the island. So most of our applicants are already there, and most of the time, as she was saying, they are usually packed in the houses, so I think traffic-wise, it is not going to really make too much of a difference. As far as the income range, we do eighty percent (80%) and below, all of ours. Out of our first two hundred fifty-seven (257) applicants, we have had some only go down through the list...we do a lottery because there are just too many families. We have quite a

few, maybe ten percent (10%) to fifteen percent (15%) that are kind of over our eighty percent (80%). A lot of them, of course, fall out due to not being able to afford, whether it is credit issues or not. But out of that original list, we do have thirty (30) families now obligated with loans and we are working on another fifteen (15). Essentially, our first phase of forty-eight (48) is going to have homeowners here in the next six (6) months. We are starting the next phase of fifty-nine (59), but we will be putting another offering out, and just like our offering back in 2000 when we were looking at the first phase of eighteen (18) homes, we had five hundred (500) applications at that time. This time, we only had two hundred fifty-seven (257) applicants, so we had eight (8) to one (1) apply for the houses we were offering. There was a lot of speculation as to when we would start, and basically the way they went into it, they would have to put all of their time in and had to be requalified at the end of the house. Even with those stipulations, you can put all of your time in and you can lose if your income changes. We still had two hundred fifty-seven (257) families. There is a great need for that, so I would expect that when we put the offering out here, probably the first of the year for the next group, I expect that we will probably have about another five hundred (500) applicants again. I think there is more than enough families right in that area. As far as Lima Ola and our project, which is going to be about, say three hundred (300) or two hundred seventy-five (275) units of which we already have essentially about fifty (50) already filled.

Council Chair Rapozo: I have to stop you there. Thank you. Next speaker.

Ms. Fountain-Tanigawa: The next speaker is Tom Shigemoto, followed by Dorothea Hayashi.

TOM SHIGEMOTO: Before you start this, can I say something? I need clarification on this Lobbyist Bill because I represent Alexander & Baldwin, Inc. (A&B), but I am not here to speak on A&B's behalf. I am here to support the project and speaking for the County as an A&B employee, so whatever you can straighten out with this Lobbyist Bill...

Council Chair Rapozo: Tom, please check with Mauna Kea.

Mr. Shigemoto: I did.

Council Chair Rapozo: Okay.

Mr. Shigemoto: Yes, so I just wanted to clarify that before I spoke. I do not know if you want further clarification.

Council Chair Rapozo: No. If you already spoke to him then that is okay.

Mr. Shigemoto: I am a registered lobbyist, but it is a little bit convoluted as to my role here today.

Councilmember Yukimura: I have a question for him.

Council Chair Rapozo: Go ahead.

Councilmember Yukimura: Tom, thank you for disclosing it upfront. If I understand correctly what you said, you said that you are a registered lobbyist for A&B, but you are not speaking in the role of that lobbyist today.

Mr. Shigemoto: I do not know because I am representing A&B and speaking on behalf of the County of Kaua'i.

Council Chair Rapozo: But you did fill out the form, right?

Mr. Shigemoto: I did.

Council Chair Rapozo: Okay, so you are covered. Whether you are should or should not be covered, you are safe and we are good.

Mr. Shigemoto: So I am good? Okay. I will start now. I am here as a landowner representative of A&B. We sold that land to the County back when Bryan Baptiste was the mayor. He requested to purchase actually forty (40) acres, but we sold them seventy-five (75) acres, or actually we donated thirty-five (35) extra acres to the County to accomplish his housing goals. I think it was back in 2007, somewhere around that timeframe. I am here just to ensure that the purpose and the reason we sold the land is being put to the use that we sold it for. I have no doubt that the County is going to develop it; you heard the presentations. I attended the informational meetings that the County presented at the Hanapēpē Neighborhood Center on this project, and there were way more people that attended than it is today, but of course, because it was in the evening and I know it is hard for people to get out here. But there is a lot of interest in this housing project. The County made basically the same presentation and talked about the 201H process. I will tell you that nobody that wanted a house in there even cared about what the 201H process is, let alone know what it was about. They wanted to know when the housing was going to be developed. That was their pure purpose for being there. So they got their information. Being familiar with the conventional entitlement process to the County to the State, back to the County, and then ultimately development; this 201H process is a no-brainer to me. You are saving anywhere from five (5) to eight (8) years of time before you can get the

product on the ground and into the hands of the people who need it. I would implore you, County Councilmembers, to really look at this and support the Housing Agency. We work closely with them because we provide housing, too. I would guess that all of us in here or a lot of us in here have our own homes, so we are fortunate to have that opportunity. So passing this Resolution would also give that opportunity to many, many young families that need the housing. That is my presentation. Thank you.

Council Chair Rapozo: Thank you, Tom. Also, thank you to A&B for giving us the free acreage. We are still open for more free land if you have some available.

Ms. Fountain-Tanigawa: The next speaker is Dorothea Hayashi, followed by Elsie Godbey.

DOROTHEA HAYASHI: Good morning, Council Chair and Councilmembers. Dorothea Hayashi. Originally, I came here because I got a call this morning about Lima Ola. My intent was really not to object about this project, because I am for housing for our people, but I thought I could do some negotiations, but then I found out that there was a miscommunication, and Kanani and the Department of Water kind of cleared it off. However, I am waiting for the official letter to come through for their upcoming on our bridge. What I had to say, in listening to all of the presentations, was that I was directly impacted on Cliffside when the Cliffside project came up. We, residents were really for it. I mean not all of us because there were some objections; however, we realized that we needed this housing for our people, especially the Gay & Robinson, Inc. workers because they had no housing and all lived in the camp. This was their opportunity. We were not the buyers, but we knew that it was necessary housing for families who had to move out of the camp area. The reason I am talking about this is because the concern was that there was only one (1) road, even today, to get up to Hanapēpē Heights and to get down from Hanapēpē Heights. Councilmember Kagawa knows this. We were willing to have this project brought in because the housing was so important. That is why I thought negotiation was great, because at that time, it was Ray Ho and that is why we have that streetlight now in Hanapēpē on the main highway. He realized what the impact was going to be, so he said yes and put in that stoplight. Until today...how many years has it been since we had the Hanapēpē Cliffside, and I hear that ambulance going up four (4) to five (5) times a day, because I am the first house and I get all of that noise. However, I get the noise and sometimes I get upset because people speed and all of that, but then you have to be willing to share your area with all of the others that you can possibly share with. I really would like you folks to really consider Lima Ola. They have more ins and outs. The other thing I was kind of concerned about, and maybe you can talk about it, is the children going over to 'Ele'ele Elementary School. That was my only concern I really had and I think that should be looked into. Councilmember



Kagawa, thank you, because I forgot that the name was "Cliffside." Thank you very much.

Council Chair Rapozo: Thank you. Next speaker.

Ms. Fountain-Tanigawa: The next speaker is Elsie Godbey, followed by Chad Deal.

Council Chair Rapozo: BC, how much more time do we have before the next caption break? Fifteen (15) minutes? Okay.

ELSIE GODBEY: My name is Elsie Godbey. They mentioned economic development of Lima Ola and I wanted to say that they talked about economic development for Hanapēpē when they had...was it Cliffside or Hanapēpē Heights? I think it was Hanapēpē Heights. Anyway, they said it would build our economy in Hanapēpē, but it really did not. Then I went to a Citizens Advisory Committee meeting and the housing person said that they wondered why Hanapēpē...we have a sewer system, but the economic development was not there. I just wanted to say that sewer development did not help us, because for our case in Hanapēpē, it is the Department of Land and Natural Resources (DLNR) that has not done anything with the lands in Hanapēpē Town on the Waimea side. We are a historic district and we want to stay historic. In one case when we were neglected sort of, it kind of helped in other ways that we can keep our historic nature. Recently, I have been to meetings where there was controversy about a twelve (12) inch pipe that was going to replace our six (6) inch pipe and that was the waterline going from Hanapēpē Heights to 'Ele'ele. What concerned me was that it was probably the water resource for Lima Ola. Also, what concerned me in one of the meetings is that they said that the twelve (12) inch pipe would be replaced from Hanapēpē, the source, to 'Ele'ele, and they would be tearing up the roads. Since we are a historic district, I hope this does not mean that tearing up the roads is Complete Streets coming into our town. I am really concerned about that and if this is a water source for Lima Ola, I hope somebody will come and talk to the community more about this subject.

Council Chair Rapozo: Thank you.

Ms. Fountain-Tanigawa: The next speaker is Chad Deal, followed by Nancy Kanna.

CHAD DEAL: *Aloha*, Council Chair and Councilmembers. My name is Chad Deal. I am testifying today as a member of the Government Affairs Committee for the Kaua'i Board of Realtors and its five hundred fifty (550) members. We are the voice of real estate on Kaua'i. The Kaua'i Board of Realtors supports Resolution No. 2016-53, pursuant to Section 201H-38 of the Hawai'i

Revised Statutes. The Kaua'i Board of Realtors is in support of housing and believe that projects, such as Lima Ola, represents a move-forward in beginning to satisfy the island's current and future housing needs. Thank you for the opportunity to testify.

Council Chair Rapozo: Thank you very much.

Ms. Fountain-Tanigawa: Nancy Kanna, followed with by Alice Parker.

NANCY KANNA: *Aloha*, Chair Rapozo, Vice Chair Kagawa, and Members of the Council. My name is Nancy Kanna and I am testifying as a private citizen of the Hanapēpē area and I am testifying in support of this Resolution for the Lima Ola project. I had the unique opportunity back in July to attend both of the 201H public meetings that were being held. The first one was during the daytime at the Hanapēpē Neighborhood Center and we had a lot of our community leaders there, very few of the residents that would potentially be purchasing into the Lima Ola project. There were some mixed reviews. Some people were for it and some were against it and we were kind of splitting hairs over the *manini* details. When I went to the following one back at the 'Ele'ele Elementary School Cafeteria, it was mindboggling to see the people that so badly want to buy a house or get housing in that area. The support was overwhelming to me. I saw these people that they do not care what the 201H process is; they will never understand it in one thousand (1,000) years. All they care about is having a place to live to call their own. I strongly urge you to support the Lima Ola project. *Mahalo* for the opportunity to testify.

Council Chair Rapozo: Thank you.

ALICE PARKER: Alice Parker, for the record. Hooray—this looks like a terrific project that is well thought out, well researched, and well developed. I am looking forward to seeing this being built. The only other thing I can think of is land; we desperately need land for affordable housing. What about these abandoned business buildings, like Kapa'a Longs Drugs and other places? They have infrastructure and plumbing. We could do something for our homeless or something and do something with what is there. The land is already not R-1. Anyway, think about it. We need housing desperately. Thank you.

Council Chair Rapozo: Thank you. Next registered speaker.

Ms. Fountain-Tanigawa: There are no further registered speakers.

Council Chair Rapozo: Anyone else wishing to testify that will not be here after lunch? You may come up.

Mr. Mickens: For the record, Glenn Mickens. I just want to sincerely thank Kanani and Gary for their presentation today. I thought it was excellent. Ever since the days of Ken Rainforth, and now that Gary has taken over, I do not think that there is a department on this island that is as well-done and does their homework in what they do. I cannot thank them enough for their efforts in getting this housing. I agree one hundred percent (100%) with Councilmember Yukimura about the traffic. I think that with these five hundred (500) or six hundred (600) units, they are going to have to make sure the amount of traffic coming out of there is looked at. I do not know if Gary or the Housing Agency's is going to be doing that or not, but like that place down in Kapa'a across the Safeway there; all they made them do for building those timeshares was to put a little one hundred (100) or two hundred (200) feet thing in there and it is a disaster. Cars come down that lane and they have to pull their way back into the other lane. I think the traffic situation definitely has to be looked at. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to speak for the first time? Anyone wishing to speak for a second time? You may come up.

Ms. Hayashi: Dorothea Hayashi. I just wanted to mention and I am not sure if I said it, but when the Cliffside project came about, it was one of those where it superseded the County, and at that time, I think the community and the Administration did not agree. But now you can see what the project has done to Hanapēpē. Even with that one road in Hanapēpē Heights, we successfully have our local community up there and I just wanted to bring that up. Thank you.

Council Chair Rapozo: Thank you. Anyone else?

Ms. Pimental: Milani Pimental, representing Habitat. I just wanted to conclude what I was saying earlier, that at Habitat, as many of you know, we service only between thirty percent (30%) to eighty percent (80%) of our Kaua'i median income households that make that amount and there are many people that we turn away every day because they are making just a smidge above that eighty percent (80%). This is where I am so happy to see something like the Lima Ola project come along and assist those other people that have some ability, but they still need just that little boost to be able to have an affordable home and make success for themselves or their families, and then add to our community again and make it thrive once more. Thank you and I encourage your support.

Council Chair Rapozo: Thank you. Anyone else? If not, let us take our caption break now and when we come back we can have the Housing Agency back up.

There being no objections, the meeting recessed at 11:37 a.m.

The meeting reconvened at 11:48 a.m., and proceeded as follows:

Council Chair Rapozo: The meeting is called back to order. Any further questions for Housing? Councilmember Yukimura.

Councilmember Yukimura: The question I had tried to ask before is what is the water situation? I know your PowerPoint presentation says that there is enough water for source storage and transmission for Phase 1, but what about the other phases?

Mr. Mackler: The letter that is in the 201H application from Kirk Saiki does indicate that there is adequate water infrastructure for the first phase. There is going to be a requirement to add a water tank with the second phase, which we have sited on the property; you can see on the zoning map that it is there. As a consumer of water, along with other potential consumers that may need water in that area or that region, the position of the Department of Water has been that they will give us the approval for Phase 1 now, and as we move along into the phase buildout of the site, they will reevaluate what our requirements are at each phase.

Councilmember Yukimura: So there is no guarantee for water in the Phases 2, 3, and 4 then?

Mr. Mackler: It does not say that there is not capacity, but it does say that administratively they will not give us that commitment now because there may be other consumers or users of water that come along. So they have to prudently manage their resources, and so because of that, they will not give us that commitment for five hundred fifty (550) units of water allocation at this time.

Councilmember Yukimura: So the water tank that has to be built is not for the first phase?

Mr. Mackler: It is not; it is programmed into the second phase.

Councilmember Yukimura: Okay, so that is part of your costs at this point?

Mr. Mackler: It is and it is reflected on our budget in the 201H application.

Councilmember Yukimura: Certainly, you must know by now whether there are enough sources for all four (4) phases, right?

Mr. Mackler: We had a water study done originally; this was a sub-consultant to our engineering consultant that did a water study, which did identify source for the entire density on the site. But again, that is really subject to the evaluation and determination of the Department of Water.

Councilmember Yukimura: Can we have the Department of Water up, please?

Council Chair Rapozo: Yes.

KIRK SAIKI, Manager and Chief Engineer: Kirk Saiki, Department of Water.

EDWARD DOI, Civil Engineer VI: Edward Doi, Department of Water.

Councilmember Yukimura: Thank you for being here today. In terms of source, is there enough water for Phases 2, 3, and 4?

Mr. Doi: Right now, there is enough water for Phase 1. When the subsequent phases get developed, then we will do a reanalysis because water may or may not be used by other developments.

Mr. Saiki: Yes. We do not know what else is going to be developed in the area.

Councilmember Yukimura: How much source do you have right now?

Mr. Doi: I do not have the exact numbers.

Councilmember Yukimura: Well, you certainly must have some approximation.

Mr. Saiki: Edward, do we have any restrictions?

Mr. Doi: No.

Mr. Saiki: So we have no restrictions in the area in terms of a meter.

Councilmember Yukimura: Can you talk louder?

Mr. Saiki: We do not have a meter restriction in the area. Typically, when either source storage or transmission is getting close to the

limit, we will set restrictions in terms of how many meters each lot can be provided with. But if we do not have any restrictions in that area right now, that means we do have a good surplus of source storage and transmission.

Councilmember Yukimura: What are the indicators for imposing a restriction?

Mr. Saiki: Maybe I should go back. Instead of talking about restrictions is typically what happens is we do not allow developers...say developer "Housing Agency" wants to build five hundred (500) homes in four (4) different phases over twenty (20) years; we do not allocate the water to them for the full five hundred (500) homes. Why? Because what if that never happens? We now have to go and build new facilities, while accommodating their potential buildout. So what we do is we will look at it in phases, like this, and we will allow them Phase 1. When they are ready for Phase 2, we can look at what our system or what our use in the system and the consumption is on our capacity. Like this Phase 1, if they actually work with us and we have an idea of when things are going to occur, we may even build the tank and put it on-site, which is what we are doing with the waterline improvements. If we know about it earlier, then we can go and put that in, so it does not impact the affordable housing.

Councilmember Yukimura: I understand about the transmission, but for the source, you have no idea how much water you are drawing from?

Mr. Saiki: I cannot give you an exact number.

Councilmember Yukimura: No, I do not want an exact number. Do you have an estimate for how...

Mr. Saiki: I kind of answered that question by saying because we do not have restrictions that the system capacity and what is being consumed is relatively...

Councilmember Yukimura: How do you know when you are nearing system capacity?

Mr. Saiki: We monitor consumption.

Councilmember Yukimura: What is the maximum potential consumption that your source will provide right now?

Mr. Saiki: Offhand, I cannot give you that exact number.

Councilmember Yukimura:  
capacity if you do not know what...

How do you know that you are approaching

Mr. Saiki:  
memorize it. I do not know if that...

Well, we have it written down, but I do not

Councilmember Yukimura:

So it is information that you can get?

Mr. Saiki:

Yes.

Councilmember Yukimura:

Okay. Can you please provide that?

Mr. Saiki:

Okay.

Councilmember Yukimura:  
feeding the Hanapēpē area, right?

So you have a source right now that is

Mr. Saiki:

Yes, we have several sources.

Councilmember Yukimura:

Are they all in Hanapēpē Valley?

Mr. Saiki:  
yes.

They are on the Hanapēpē side of the river,

Councilmember Yukimura:

In the valley?

Mr. Doi:

There is one up on Cliffside.

Mr. Saiki:

Yes.

Councilmember Yukimura: There is one up above at Cliffside, okay. But  
the source for 'Ele'ele would be the valley or can it also be Cliffside's source?

Mr. Doi: Whichever way the water flows. More than  
likely, it would be from the wells nearest to the booster pump that pumps up to  
'Ele'ele.

Councilmember Yukimura:  
down in the valley.

Okay, so it is probably the source that is

Mr. Saiki:

Yes.

Councilmember Yukimura:  
quantity?

Do you have numbers in terms of potential

Mr. Saiki: Well, we monitor consumption and compare it to our capacity for that system.

Councilmember Yukimura: Right. So you have numbers that express the capacity of that system?

Mr. Saiki: Yes.

Councilmember Yukimura: When you are nearing capacity, that is when you begin to consider restrictions?

Mr. Saiki: Yes.

Councilmember Yukimura: Okay. So you do not know at this point, although you have done a letter of support, you do not know how much of that potential capacity, if it were needed today, could be applied to...

Mr. Saiki: We know that they can build Phase 1.

Councilmember Yukimura: I know, but I am talking about Phases 2, 3, and 4.

Mr. Saiki: We will evaluate that when that happens.

Councilmember Yukimura: Right.

Mr. Saiki: If it never happens and we have allocated them for five hundred (500) homes, we limit what other people can build or we end up overbuilding.

Councilmember Yukimura: Right. What is the projected need for Hanapēpē-‘Ele‘ele? I guess that would be based on zone, but unbuilt lands.

Mr. Saiki: I cannot give you that off the top of my head.

Councilmember Yukimura: Do you have that?

Mr. Saiki: Which is what we are doing right now with the Water Use and Development Plan, that based on land use and zoning, they are going to develop what is the ultimate requirement. What we do, and going back to it, is we know our system capacity and we monitor based on consumption.



Councilmember Yukimura: That is why as a County, we have been trying to coordinate our land use and infrastructure so that we do not come up against major restrictions when we have a need for housing and we have set aside lands for housing. We want to make sure we have infrastructure that supports our land use plan.

Mr. Saiki: Yes.

Councilmember Yukimura: So in order for you folks to determine your water use plan, you have to know what the planned uses are for the area.

Mr. Saiki: Yes, which comes out of the General Plan.

Councilmember Yukimura: Right. Are you waiting for the General Plan?

Mr. Saiki: No, we are working with Planning and developing the Water Use and Development Plan.

Councilmember Yukimura: Okay. Do you also know your capacity for transmission at this time? Which is the limiting factor between source and transmission?

Mr. Saiki: For what?

Councilmember Yukimura: For...

Council Chair Rapozo: For Lima Ola, because that is what we are talking about.

Councilmember Yukimura: Right.

Mr. Saiki: For the entire...

Councilmember Yukimura: If we were today to need it, do you have the source storage and the transmission?

Mr. Saiki: I know that was evaluated. I do not know if there is one limitation. My guess would be potentially storage and source.

Councilmember Yukimura: Okay. That makes sense because you are saying that you need a water tank for the next phases. This is for the Housing Agency. Do you know the total cost of providing water for the total development?

Ms. Fu: What we do know is that Phase 1, with what our requirements are and what we have...our approvals...source storage and transmission, we have that. In Phase 2, based on current consumption that was analyzed in the Water Master Plan, and it is page 25 of the Water Master Plan in your exhibit, we potentially need a three hundred thousand (300,000) gallon water storage tank in addition to a sixteen (16) inch transmission waterline. It is laid out in the "Summary of Required Improvements Per Phase." As stated by the Department of Water, the approval of Phase 1, we have. They did not grant approval for the other phases because of the potential of other projects coming online. If we move forward with Phase 2, we would go back to the Department of Water to get approval again. Page 25 gives you what we would be required to do if the development was to full buildout, one-time, before any other potential developers or other potential water increases was to happen. That is what we know.

Councilmember Yukimura: Are those costs are in your budget?

Ms. Fu: Yes. Those costs have been included in the budget as it pertains to each phase.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Any other questions?

Councilmember Yukimura: I have one more.

Council Chair Rapozo: Go ahead.

Councilmember Yukimura: Will your units all have solar water heating?

Mr. Mackler: Yes. I think if you look in the 201H application under the development plan, you will see our goals and objectives stated there, which includes exactly that.

Councilmember Yukimura: That is a wonderful boon for the tenants or the homeowners, which I know the Kekaha residents have done it partially. So putting it in at the time of development is really a great thing. Thank you.

Council Chair Rapozo: Any other questions? If not, thank you very much. You all should probably leave pretty quickly.

Councilmember Yukimura: I have a question for the Planning Department.

Council Chair Rapozo:  
please?

Can we have the Planning Department up,

MICHAEL A. DAHILIG, Planning Director: Good afternoon,  
Councilmembers. Mike Dahilig, for the record.

Councilmember Yukimura: Good afternoon. The Planning Department does the interface of transportation and land use planning, so I wondered whether the Planning Department has addressed the issue of regional traffic impacts. I know it was in your South Kaua'i Community Plan; the bottleneck in Kalāheo at the intersection of Papalina and Kaumuali'i is projected to reach "D" levels of functionality in the future and I do not believe the South Kaua'i Community Plan had taken into account potential traffic from changes to land uses on the west side. I am just wondering how the Planning Department is proposing to use planning principles to avoid creating the kind of situation we have in Kapa'a.

Mr. Dahilig: As it pertains to the Lima Ola project?

Councilmember Yukimura: Yes.

Mr. Dahilig: The 201H structure, in effect, is meant to deviate from what the traditional planning process is and it is done in a very narrow situation, where affordable housing is paramount with respect to the policy of the approving body, and those things that would normally be as part of the process would be, in effect, yielded in consideration of the fact that an affordable housing project is being developed. With that being said, we have been in consultation with the Housing Agency on numerous occasions, including their consultants, which have provided a Traffic Impact Analysis Report. We believe that in the totality and balance of everything that is being proposed that we are not concerned largely by the impacts that would be created by the implementation of a first phase here.

Councilmember Yukimura: So if it causes major traffic impacts, then so be it? We will just live with it?

Mr. Dahilig: I would say, again, relying on the Traffic Impact Analysis Report, and what the TIAR and the professional's opinion says, with respect to the implementation of a phase one. It does not appear to me that, at least my look and what my recollection serves me right in reviewing the documentation, that the TIAR provides any type of red flags or anything that would give us heartburn with respect to this project being put online. That being said, of course, traffic is always a concern, no matter where you go. I think as Councilmember Kagawa alluded to, a lot of the project is being geared and aimed to those that are in homes already and rarely do we see situations where somebody

buys a new house, and then buys a number of new cars at the same time. I think this really does help those that are displaced that already have vehicles to go to and from work. The science of traffic predictions, I am sure any engineer will tell you that their predictions and their best guests, and based off of their professional opinion, I think the TIAR speaks for itself.

Councilmember Yukimura: The TIAR, however, only addresses Phase 1.

Mr. Dahilig: That is what I did say, that it addresses Phase 1.

Councilmember Yukimura: What about the impacts? Actually, I think the TIAR addresses all...I see Gary back there...however, the TIAR only addresses local traffic intersections and does not address regional traffic impacts.

Mr. Dahilig: I believe that because the TIAR is part of the Chapter 343 disclosures that through the disclosure process and environmental impacts that there was not any question raised through the public consultation process that would lead to the TIAR not being adequately scoped.

Councilmember Yukimura: I am sorry, but I was part of the public (inaudible). What about the red flag that is raised by your South Kaua'i Community Plan?

Mr. Dahilig: At the end of the day, red flags are what they are; they are there as also gap analysis to provide information to the policymakers that this could be an issue that is occurring or will occur. Planning is never an exact science; it is a pursuit of trying to find balance between human interaction with the land. In certain situations where you have the 201H process that provides priority of putting affordable housing on the market for local residents, that also needs to be considered in the context of the overall planning principles. It was consistent with the General Plan, as approved in 2000, that increasing the affordable housing inventory is an identified principle within the General Plan. It is not to per se that one policy outweighs another; but in the context of one policymaker's decision-making that there are indications that decisions have consequences, and whether those consequences are palatable or not, I think the information is before the body and the body can make the decision.

Councilmember Yukimura: This issue is not about whether to have affordable housing on the west side or not, except in the environmental assessment, which said the only alternative is no-build alternative. From a planning standpoint, might it not be better planned to put one hundred (100) units or even thirty (30) units, like we have been with Rice Camp, Kālepa, and Pa'anau, put

increments of thirty (30) to one hundred (100) on other parts of the west side and therefore address some of these traffic issues and also provide affordable housing?

Mr. Dahilig: At the end of the day, the 201H process is there to, in effect, bypass a lot of the grinding that we would normally look at in the planning process in lieu of something that provides a very distinct and doable opportunity. So although these questions about, "Could it be here? Could it be there? Do we have enough water? Do we need a road?"—all of those considerations aside, there is a special process that is enacted by State law to put up certain priority paramount above those other considerations. I would refrain from providing an analysis that would say one is better than the other, because the way that the State law is written says...but we are putting foremost in these certain situations is county councils across the State, if you have an opportunity for affordable housing, you can bypass these considerations. I would rather yield to the wisdom of the body, whether the exercise of that is in its wisdom appropriate, given that the product is being built at one hundred percent (100%) affordable housing. At this point, I think having to go through that exercise is exactly what the law is meant to try to bypass in the first place. I would not want to stoke that process...we are going to follow that process if that is what the legislature intended.

Councilmember Yukimura: So what you are saying is that you do not feel it is the Planning Department's responsibility to layout the various options and consequences based on planning principles for this body, which has to make a decision as to whether to approve or not approve?

Mr. Dahilig: That is not what I am saying. What I did say is that the normal planning processes needs to take into consideration the totality of the information in front of you, and what would normally be as you go through that discussion of site selection, it has been disclosed through the 343 process. There is an alternative analysis in the 343 document that outlines what is or is not preferred alternatives. So I think to go through an abbreviated review of "should it be in Pa'anau" or "should we add more housing to Līhu'e," I think defeats the purpose of what 201H is meant to do in the first place, which is putting affordable housing as the paramount policy if the Council wishes to use that authority.

Councilmember Yukimura: I am not talking about Līhu'e or Kōloa; I am talking about the west side.

Mr. Dahilig: Okay.

Councilmember Yukimura: So you feel that that same 201H principle applies to the State policy on Important Agricultural Lands (IAL) as well?

Mr. Dahilig: Well, again, this is specific authority to bypass state and county land use regulations, as well as a number of other statutes that relate to the entitlement process. So whether something should be used in lieu of what an IAL process is or a county rezoning process, that is why this Resolution is being handled by the policymakers in the first place, because it is meant as a bypass. I would not want to say that one process is more important than another, other than say that here is what the Housing Agency is asking for bypass and exemption approvals for; is it okay that we do not apply these based off of authority under state law; and if the policymakers feel comfortable because of the product that is being developed then that is the policy of the State.

Councilmember Yukimura: What is the Planning Director of the County of Kaua'i saying about protection and preservation of agricultural land?

Mr. Dahilig: Well, what the Planning Director of the County of Kaua'i is saying is that there is always going to be competing interests, and in this particular circumstance the competing interest is putting people in houses at an affordable rate, or using land that was already purchased by the County of Kaua'i to be used for residential purposes for its intended purpose. I do not see it as an "apples versus oranges" type of situations because of the policy call that made by this body back in 2010 to actually purchase the land for residential purposes in the first place. So whether or not this land would be suddenly reconverted back into agricultural lands as a consequence of a denial of this Resolution, I think it is still up to the body because that is what the land was purchased for in the first place. I do not see it as something that is taking agricultural land out of the inventory because that purchase was already made.

Councilmember Yukimura: Well, in fact, right now there are Kaua'i Coffee Company trees on that land, so it is still in agricultural use.

Mr. Dahilig: That is correct.

Councilmember Yukimura: It would remain in agricultural use if this is not turned into housing because the slope is good, the sun is good, and it is very good agricultural land, as the EA says.

Council Chair Rapozo: We need a question, Councilmember Yukimura.

Councilmember Yukimura: We are not talking about converting it back; it is existing. The question is whether it is good public policy to convert this prime agricultural land into residential, and whether or not there are other locations that might serve the same purpose of providing housing without taking prime agricultural land?

Council Chair Rapozo: Let me ask another question that is the same: do you think it is good public policy to disregard the intent of the County Council back in 2007 when we actually decided to purchase that land for the sole purpose of building housing? Do you think it is good public policy to disregard that intent? We could do this all day. The question today, what is on the floor today is a resolution to accept the 201H application. That is what is on the floor. All of the issues that have been discussed in the last fifteen (15) minutes or so is really philosophical. That is not the issue. If you do not support the 201H process, which is a transparent process that is telling the public yes or no, but this body approves of the shortcut. This body approves that we are going to exempt the County from development regulation because we believe that this project is important. We believe that the need for affordable housing is so great that we are willing to allow exemptions on certain parts of the law so we can get it moving now. That is what is on the floor today. Not about whether or not it should be in Līhu'e. It is there. The plan is here. It is whether or not you think we should grant them the exemptions. If you do not, then you vote no. If you do, then you vote yes. It is transparent. The public knows right now...

Councilmember Yukimura: Question, please, Council Chair.

Council Chair Rapozo: I am sorry?

Councilmember Yukimura: Question?

Council Chair Rapozo: No, I am trying to get this back on track because we have gone so far off, and several Councilmembers have been giving me the stare-down and I am not going to allow this to continue. Today, it is "fish" or "cut-bait" time for this body that has been professing affordable housing forever and ever, and now we have an opportunity to move a project and we are debating whether or not we have enough water. It is a twenty-year project. So I want to bring it back. If you have any questions of the Planning Department on the application, let us ask him the question, or of any other department head. If not, we are going to call this back to order and take action before lunch. Any other questions for the Planning Department? Thank you, Mr. Dahilig.

Mr. Dahilig: My pleasure.

Council Chair Rapozo: Any other questions before we call this meeting back to order? Thank you. The meeting is called back to the order. The motion on the floor is to approve. Any further discussion?

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Yukimura: Chair?

Council Chair Rapozo: Go ahead.

Councilmember Yukimura: Can I have a second, please?

Council Chair Rapozo: I am confused. Can you restate your motion?

Councilmember Yukimura: To amend the motion to set a public hearing for September 7, 2016, and then refer Resolution No. 2016-53 to a Special Council Meeting on September 7, 2016.

Councilmember Chock: I will second it for discussion.

Councilmember Yukimura moved to amend the motion, that Resolution No. 2016-53 be ordered to print, that a public hearing thereon be scheduled for September 7, 2016 at 8:30 a.m., and that said Resolution be subsequently referred to the September 7, 2016 Special Council Meeting, Councilmember Chock seconded the motion.

Council Chair Rapozo: Okay. So there is an amended motion. Go ahead, Councilmember Yukimura. You can explain your motion.

Councilmember Yukimura: There are citizens in Hanapēpē who wanted to testify, and I felt that the 201H process waives two (2) public hearings, so it would be our obligation to at least hold a public hearing. I went over with the staff what the dates and possibilities would be, and then talked to the Chair about doing it. Forty-five (45) days is a very short time, especially because it starts even before today; it starts at the time when the matter is transmitted to the Council, which was the 5<sup>th</sup>. So the Chair agreed that we could do that and I believe there are people who are counting on that time to speak.

Council Chair Rapozo: Let me just say that the Chair said that it will be the action of this Council that dictates. I am not going to oppose a public hearing if this body wants to have a public hearing. That is what I said. But after hearing today, honestly I am frustrated. I do not want to have to go through another painful session like this. Again, it is going to be the will of this body. I am not going to stand in the way of a public hearing if you folks want one. I am just saying that this is going way beyond what should have been discussed today, and I have let it go. Anyway, Councilmember Chock.

Councilmember Chock: I just have a clarification on this. How many testifiers are we talking about and are they in favor or not from your perspective?



Councilmember Yukimura: I do not know how many testifiers there will be, but I know that there are serious concerns about the project. They were raised during a General Plan update meeting at the Hanapēpē Library. I feel like we should, especially because this process is so accelerated, we need to allow the community time to speak if they want to. After they speak, we can do whatever we want to. I, myself may vote for this, but I really feel a responsibility to actually ask these questions about the process; otherwise, why even have Council approval? Why not just let it be because it is an affordable housing project and the Council bought the land?

Council Chair Rapozo: The reason why the Council had this on today is because we had eighteen (18) testimonies from the public that supports it and we had numerous testimonies today and we had numerous E-mails that came in, subsequent to this chart being made. This is the public process. The other thing, Councilmember Yukimura, is if you have some serious concerns that were brought to your attention, I suggest that you bring it on this table right now. They do not need to be here for us to discuss their concerns. If you have a concern that a constituent informed you, whether it was at a community meeting or personally, bring it up now so that we can have the discussion.

Councilmember Yukimura: I have been raising the concerns that I have. It has been difficult, but I have done that. I have not sat with the citizens and said, "Okay, tell me all of your concerns. I am going to bring it to the Council," because they were counting on a hearing. The notice right now is only six (6) days. When we have a public hearing, we have at least ten (10) or twenty (20) days' notice. When we have public hearings before the Planning Commission and the Council, we give a lot of notice. Citizens have a lot of time to come in and sometimes the concerns come in late. The other thing is that we should not make such trivia of planning concerns because if we overlook planning concerns, they cause problems down the line. That is what citizens are saying in Kapa'a—"how did this traffic happen?" It happened because the issues were not addressed at the time of planning. They are not trivial issues. They are very likely to rise up over time. If we believe in planning, we are supposed to think about them upfront. There is some kind of resentment that this process is taking time, but this is a huge development with huge impacts. If it is going to be approved eventually, it is not about stopping it; it is about having a proper vetting process.

Council Chair Rapozo:

Councilmember Kagawa.

Councilmember Kagawa: Even some of the best plans cannot cure all of the problems. We have had traffic from the west side to Līhu'e from 1990, or even before. First it started at the Tunnel of Trees and now it is even from the Kalāheo traffic light. We could not improve that over...what is that?

Twenty-six (26) years? And we are going to hold the Lima Ola project up until that gets fixed? Even though the problem is glaring and certainly a project may not improve it and may hurt it a little bit, it does not mean that we are going to stop it because the planning is not there...it is not functioning well. Some things are just unfixable. I just think that we need to move forward. The testifiers are not just "average Joes"—there is the principal at Waimea High School; the principal of Waimea Canyon Middle School; Representative Derek Kawakami, top vote-getter by far in the Council election; Representative Dee Morikawa; and numerous local residents. I know all of these folks on this list. To say that, "Well, the public has not chimed in"—I think they have chimed in. They have had articles in the newspaper where they know that Lima Ola has been coming. We have had several discussions about Lima Ola. We had two (2) meetings: one in 'Ele'ele and one in Hanapēpē. The community has shown up. Some do not show up. A lot of people do not like to go to public meetings and speak, period. But there has been zero from the community that has told me, "Do not do Lima Ola. It is not a good thing for the west side." Some have brought up concerns about how we are going to get students across the highway and I heard that there are plans to address that. There is a stoplight that allows you to get from 'Ele'ele subdivision to Big Save. What is another stoplight if we are talking about safety? These things can be worked out; it will be worked out as time goes by. I do not think we should hold up a good project, a great project, because we think we need more public input. The public input is there. It has been there. I think we need to move forward today. Thank you, Chair.

Council Chair Rapozo:

Councilmember Kualī'i.

Councilmember Kualī'i: I just want to add to what Vice Chair Kagawa has just said. Housing and others from the Administration have been working on this since 2010. We have this whole binder of the excellent information. This is beautiful. This whole project is beautiful. You have done your work. Tab 8 alone talks about all of the community consultation. It actually has verbiage of what people have said in fifteen (15) community meetings. In Hanapēpē and 'Ele'ele since 2010. That is six (6) years' worth of meeting. There is a section on the water master plan and a section on the Traffic Impact Analysis Report. There is more information than we need to be able to proceed. In my notes here, I have the last testifier, Glenn Mickens, being number twenty-nine (29). So we have heard twenty-nine (29) testimony and twenty-nine (29) in support. The people with concerns have just as much opportunity to tell us why they would not support, as these people that have stepped forward and told us why they do. I have not heard. Councilmember Yukimura should tell us specifically what the concerns are. Obviously, that can be worked out. This project still has a way to go before the first house is built or before the first family has moved in, but it has been six (6) years. Let us get moving.

Council Chair Rapozo:

Councilmember Yukimura.

Councilmember Yukimura: We are not talking about stopping the project; we are just talking about holding a public hearing on it, and holding a public hearing that was part of the plan, as far as myself as Housing & Transportation Committee Chair. I think we need to have maximum input and opportunity in the short timeframe. That is all I am talking about. People can vote how they want to vote after the input.

Council Chair Rapozo:

Councilmember Chock.

Councilmember Chock:

This is a public hearing request, not a discussion request.

Council Chair Rapozo:

Yes. This is a very important issue and I have been very flexible as to allow people to say what they want. The impacts of this action, in my opinion, are positive, but that is just my opinion.

Councilmember Chock:

I will tell you how I feel. I am ready to vote on this in support of it. The questions outweigh some of the concerns at this point; however, I am willing to support a referral for a public hearing, just to provide fair public process to those who have not had a chance to speak. So that is where I am today. My questions regarding the actual resolution, I have already addressed myself. Thank you.

Council Chair Rapozo:

Councilmember Kaneshiro.

Councilmember Kaneshiro: For me, I am ready to vote on it. I think people have had the opportunity to vet their questions. They have met on this twice. They could have had an opportunity here to say what they want and I have not heard anything. So I am comfortable with the plan. I think they did a very good job of answering the questions. This plan is pretty comprehensive and I think it is a good project. What I got from the public testimony...I think it was Delilah when she said, "It provides hope and opportunity," and I think that is what it does; the opportunity to have a house and I think a lot of people do not have that opportunity who would like it. I am all for it. I am ready to vote.

Council Chair Rapozo:

Anyone else? Councilmember Hooser.

Councilmember Hooser: I think Councilmember Yukimura raises some very valid questions and concerns, like the question about converting agricultural land to urban use; the question of long-term and short-term traffic impacts; the question of water use and availability and capacity; the question of access and long-term viability of this project; and the need for additional public

input. So I think those are all valid concerns and valid points; however, I have heard them raised in the past at other meetings where we have discussed this project and I think the time for addressing those for this body has passed, quite frankly. I do not see the need to further delay this project. The whole purpose of the 201H process is to accelerate the project, and the reason these projects take so long is because government agencies and government bodies, like ourselves, often take too long dealing with it. I have heard no public opposition that I can recall to the project. I am confident that the various agencies within the County, the Housing Agency specifically, will be shepherding through this as they have with many other projects. I heard a reference to twenty (20) something projects. All of them have come out, I believe, with flying colors. The urgency of this need for affordable housing weighs heavily on all of us, certainly on me. I do not think delaying it for another month or another day is going to change anything. If I thought it was going to change anything...but I do not see anyone amending this or trying to...because it would be further delays. So I do not see any changes. I see a courtesy to the public and I think the public still has the opportunity and will have future opportunities to weigh-in, because this is not the end of the project. This is, in some ways, a start. I will not be supporting this, as much as I have great respect for Councilmember Yukimura and her concerns, which I think are at their core very valid. I do not think it is going to change much and I think there will be additional opportunities for the public to weigh-in in the future. Thank you.

Council Chair Rapozo:                      Anyone else?    If not, roll call on the amendment.

The motion that Resolution No. 2016-53 be ordered to print, that a public hearing thereon be scheduled for September 7, 2016 at 8:30 a.m., and that said Resolution be subsequently referred to the September 7, 2016 Special Council Meeting was then put, and failed by the following vote:

FOR MOTION:	Chock, Yukimura	TOTAL – 2,
AGAINST MOTION:	Hooser, Kagawa, Kaneshiro, Kualii, Rapozo	TOTAL – 5,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa:                      The motion fails.

Council Chair Rapozo:                      We are back to the main motion. I want to wrap this up before we break for lunch and it is already 12:35 p.m. Any further discussion? Councilmember Chock.

Councilmember Chock:                      I think that the affordable housing needs on this island are astronomical and something we have been discussing for a long time.

I am happy with all of the work that has been going into this project. Yes, there may be concerns from a broader perspective, but I think that what we can do, we need to do and we need to do it now. So I am excited to support us moving forward in that direction. Thank you.

Council Chair Rapozo:

Anyone else? Councilmember Kagawa.

Councilmember Kagawa: I grew up at the time of Cliffside coming up, 'Ele'ele Nani 1 and 'Ele'ele Nani 2, and I think what I saw was a lot of local people get help with getting their house. Not only the affordable side, it even allowed the inventory to grow, so it allowed some displaced...not displaced, but when the plantations went out, you had people from Pākalā, Kaumakani, and Port Allen buying into those homes, so it just filled a gap. They have a rule that if the original member dies, then the ability to rent that plantation house goes away. So a lot of them with their savings, they allowed them to get in their houses. That is how I see Lima Ola. It is still filling some of those gaps. It did not fill all of the gaps. There are still a lot of gaps left and that is exactly where I see Lima Ola being another component of helping our local families to get into their houses. If you look at those, those would be no impact to the traffic. Hopefully, it will continue to help in that way and I think it will be a wonderful project and we should do everything that we can to speed it up going forward. Thank you.

Council Chair Rapozo:

Councilmember Kualii'i.

Councilmember Kualii'i: I just want to add to that and say thank you to the Housing Agency, the Mayor, and the Administration for all of your work. This is incredible. I am glad it is really moving now and I am excited about the next one, because we need more. Thank you.

Council Chair Rapozo:

Councilmember Hooser.

Councilmember Hooser: I am giving this my enthusiastic support and my compliments to the Administration. I will say though that if this was in a different location, if this land was further from the existing urban development, I may not be supporting it. If this project was feeding directly into the gridlock, which consumes much of our island, it would be a different story. If this project was not one hundred percent (100%) affordable...but it is not...this project is one hundred percent (100%) affordable. This project is adjacent or very near existing residential areas. Even though the traffic on the west side is increasingly challenged, it does not feed into anything close to the gridlock that some other parts of our island are in. It is one hundred percent (100%) affordable and we have a desperate situation, so I am happy to support this moving forward.

Council Chair Rapozo: Thank you. Anyone else? Councilmember Yukimura?

Councilmember Yukimura: I am going to be supporting this because I will not vote against affordable housing on the west side, but we could do much better. There is going to be tremendous impact on traffic, both ways, not only towards Līhu'e, but also in and around the west side itself, because this development is very auto-related; it is not close to services. It is going to be a really big problem for schoolkids to walk safely to school, so the result would be most people driving their kids to school. There are a couple of incredibly wonderful parcels in Waimea, which would have provided more kids who could have walked to Waimea Canyon Middle School and Waimea High School. There is water in Waimea. We could have had some other projects along Moi Road on the western side, working with Hawaiian Homes that could have hooked into the existing community much more easily now that we are going to build a sidewalk from Moi Road, down to Hanapēpē Town, and they could have safely walked to 'Ele'ele Elementary School that way. We do not know whether there is going to be water for the second, third, and fourth phases. Maybe the Senate and the House will come to the rescue, but so could have those moneys been used in other parts of the west side. Some of our existing parks could be maximized, too. This is not an example of good planning. I am hopeful that it will turn out okay, but I have a feeling that there is going to be a lot of problems because we have cut corners on the planning process, and when we do that, we do not create the best kind of communities we could create.

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: I will try to make it fast. I think it is a great project. There is a need for housing on west side; we heard that, even from Habitat, saying how much people are looking for housing on that side. I have heard the concerns, like about water. Water is available according to the Department of Water and that water was addressed in this. There was a concern about traffic. We can make as many assumptions as we want to and probably discuss this for another fifteen (15) or twenty (20) years on how much traffic it is going to cause, but the fact of the matter is, is that you could have a family living across with the street with their parents, that is going to move into this affordable housing project and it will not make any difference to traffic. Or you could get somebody living in Waimea with their family that moves in there, and then still works on the west side. There are millions of scenarios that we can go through. I think it is a great project. This process is good because it helps expedite the development process, provides flexibility, and ultimately reduces the cost that is going to be passed down to the homeowners. I am excited for it. I see a lot of people...a lot of the names that supported this today, too. They are all excited for housing opportunities, and in the

end, that is what it is; it is providing an opportunity and I think the west side deserves it.

Council Chair Rapozo: Any other discussion? Councilmember Yukimura.

Councilmember Yukimura: The way we have treated traffic and prime agricultural land is the reason we have our traffic problems in Kapa'a. "Oh, it will work out. We will not be causing much. No can help." That is why we have traffic problems, because we have not actually addressed it in our land use planning. There is going to be huge costs to try to address it, or huge, huge problems that are going to affect people trying to get to work and school, and visitors as well. If we treat our agricultural land...you know, the State Constitution says that agricultural lands are so important that it needs a two-thirds vote, and that is one of our prime goals. If we treat it like we are treating it now, we will not have a really robust agricultural industry in the future. What I want to say is that there is a way to avoid it and there is a way to actually solve the traffic problems by doing good land use and provide affordable housing. But because we are being so single-purpose, we are creating other problems and we will continue to create other problems.

Council Chair Rapozo: Thank you. Anyone else? If not, I am actually really, really proud of this Council for doing this today. I really am. I am excited. I was here in 2004 when we did the resolution and I was here in 2007 when we talked with Bryan Baptiste, bless his heart, and met with A&B and he did the negotiations and wanted forty (40) acres for land banking. A&B, to their part of community, basically gave us thirty-five (35) acres for free. From back then, the intent was for this parcel to be affordable housing. That is what the intent was. We are honoring that. We are honoring Bryan, really, in his dream of producing some affordable housing. The embarrassing part in all of this is that it took us so long. But I commend the Housing Agency, the Administration, and all of the departments for their input and to get this again. This is the application. So to say that we did not really think this out is not fair, because it has been through the community enough times. Had Councilmember Yukimura provided me with some serious concerns as she put it from the constituency then I might have entertained or tried to influence an extra meeting, but I did not hear that. I heard that there are a lot of concerns, but I have not heard the concerns or any specific concerns that would warrant another meeting. Traffic—we heard from Habitat. I mean what better evidence can you have from a project that is right next door, that had all the applications and basically told us that the vast majority, almost all of the applications, came from west side people. Is it going to impact the traffic? No. I think it is a red herring and putting out this fear that does not exist. What better source? Your information was much better than any community we could ever have because you have done it, it is in writing, and you know the numbers. So to the Kaua'i Habitat for Humanity, I really thank you for being here today. This process

will save, what was said earlier today, five (5) to eight (8) years off of the process. I disagree. I think if we go down the regular road in this County, we probably saved us twenty (20) to thirty (30) years. I am not trying to be funny. That is the God's truth. I have been here long enough. Again, we cannot undervalue what our Housing Agency has done in past with the projects that we have done—excellent projects. We approved the purchase of these lands. The lands we bought for Rice Camp was not any discounted land; that was market...we paid market for that. But we produced a gem of a project and that is because of the creative financing techniques that our Housing Agency, Kanani folks, have put together. Gary, you folks have been just amazing. I have no reason to doubt that you folks are going follow this process through. It is disgusting how many times each of us, and all of the candidates running for office say the same thing about affordable housing, and now we have an opportunity, and we sat here for quite a while, trying to figure out how this will not work. "Housing, we, this body, will give you what you need to make it work." That is the attitude we have to have. Not, "What about this or what about that?" If we follow that rationale, then we are not going to build anything, because we are not getting rid of traffic. So what are we going to say? Until the State builds a new highway, then we are not going to put anything else? Come on. We have to move. The school situation on Kaua'i...somebody brought it up today, and I cannot remember who it was, about the enrollments in the schools. The Department of Education (DOE) is moving boundaries to force students in Kalāheo to go to Waimea because of the dropping enrollment. What is that saying? People are leaving the west side. The younger families are leaving the west side and they do not have students to go to the school. What an opportunity for everybody for that parcel. Bryan Baptiste had a vision. He saw the vision back then and said, "This would be the ideal place to have an affordable housing project." I think we should honor that, which we are. If we do not develop it, what do we do? Do we sell it back? Sell it to someone who rezones it into Residential or Resort maybe? It is an opportunity to fill a need that this County has had and will always have, and what an opportunity. The 201H process—I think Councilmember Hooser said it, and I agree with him one hundred percent (100%), that if it was not for one hundred percent (100%) affordability, then sorry Housing Agency. Tell the developer to go and make his own money. This is one hundred percent (100%) affordable. For me, I think this is one of the best resolutions I have ever said "aye" to, because I think this is going to bring a lot of benefit and a lot of rewards to the west side community, who much sorely need it. Roll call.

The motion for adoption of Resolution No. 2016-53 was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualī'i,	
	Yukimura, Rapozo	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,



RECUSED &amp; NOT VOTING: None

TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: With that, we will break for lunch and be back at 1:50 p.m.

There being no objections, the meeting recessed at 12:51 p.m.

The meeting reconvened at 1:51 p.m., and proceeded as follows:

Council Chair Rapozo: The meeting is called back to order. Can we have the next item, please?

Ms. Fountain-Tanigawa: Chair, we are on page number 2, Resolution No. 2016-54.

Resolution No. 2016-54 – RESOLUTION REAFFIRMING COUNCIL POLICY TO ACQUIRE LAND FOR THE DEVELOPMENT OF AFFORDABLE HOUSING: Councilmember Kuali'i moved for adoption of Resolution No. 2016-54, seconded by Councilmember Yukimura.

Council Chair Rapozo: Any discussion? Councilmember Yukimura, I believe you have an amendment.

Councilmember Yukimura moved to amend Resolution No. 2016-54 as circulated, and as shown in the Floor Amendment, which is attached hereto, seconded by Councilmember Kuali'i.

Council Chair Rapozo: Thank you. You may explain your amendment.

Councilmember Yukimura: These amendments do not really change the thrust or nature of this Resolution, but they try to align this Resolution with some of our existing County policies, like our Multimodal Land Transportation Plan. Also, in the paragraph on the second page, four from the bottom, "Be it further resolved that the affordable housing units are intended for long-term ownership and will have imposed a thirty-year buyback"—I am suggesting that we change that to be "subject to long-term buyback provisions," because my Affordable Housing Advisory Committee is working right now on that very issue for changes to our ordinance that will be substantive. So I would just like to leave it more generalized until we come to some specific proposals.

Council Chair Rapozo: Any further discussion?

Councilmember Yukimura: So I made the motion and there was a second. Thank you.

Council Chair Rapozo: Okay. Councilmember Chock.

Councilmember Chock: Thank you. I guess I just have a question that in terms of with everything that discussed for Lima Ola, ensuring that we have covered the basic planning principles that I know have been a sticking issue with Councilmember Yukimura, if they are included in here. I see some of them, but I just wanted to make sure that we covered them all?

Councilmember Yukimura: I do not know that we have covered them all, but because we are working on amendments to the actual ordinance itself, that is where I think we are trying to cover everything. If you have some suggestions, I would be open to it.

Council Chair Rapozo: I would just say that this is really just, again, a repeat of the 2004 Resolution, which kicked off the Lima Ola project. But at the end of the day, the decision of whether or not to purchase the land, a parcel, a plot, or whatever, lies with the Council at that time. I think at that time, and it was stated in the last discussion, that it was clear what the intent was. I think going forward I would assume that whoever is sitting at this table at that time will make sure that those concerns are addressed before agreeing to purchase the property. This really is just the policy statement of the body, saying that we want to revisit that land-banking idea once again. I think when the question was asked...I think Councilmember Hooser asked the Housing Agency, "What else can we do now," and I think her response was, "We need land." With land, I think you give the County a little bit more opportunities to pursue affordable housing projects. I am in total agreement with the amendment. Councilmember Hooser.

Councilmember Hooser: You said that you are in full agreement of the amendment, right?

Council Chair Rapozo: Yes.

Councilmember Hooser: Okay. I am also in full agreement of the amendment and I want to thank Councilmember Yukimura for bringing it forward. I also had some similar concerns, but had not developed an amendment. I was thinking about adding some words this morning, particularly with regards to the traffic, household/transportation costs, and jobs. I think those are particularly important, because as our earlier discussion kind of emphasized, it is not just housing anywhere just because it is affordable. We have to be clear that, yes, it is important, but there are important things to consider when we site it. I think this

just adds the right amount of additional direction and I am happy to support it. Thank you.

Council Chair Rapozo: Thank you. Any further discussion?

The motion moved to amend Resolution No. 2016-54 as circulated, and as shown in the Floor Amendment, which is attached hereto, was then put, and unanimously carried.

Council Chair Rapozo: Again, this is really just a policy statement by the Council to the Administration, asking to look at available lands and opportunities that should arise. Land banking does not necessarily mean that we want to purchase a property for immediate development. If, in fact, the opportunity for a parcel of land in an area that is not conducive to develop affordable housing on this date, we are suggesting that, "Hey, do not disregard it because it could be used ten (10), fifteen (15), to twenty (20) years from now," if, in fact, the opportunity is a good opportunity. In other words, if the land is cheap and if the land is one that we believe in the future...it goes back to the planning discussion. In the planning master plans and development plans, if that area should be an area that we would be developing in the future, to bank that land when you have an opportunity at a reasonable price might be the wise thing to do. Otherwise, looking for available lands now and negotiating with land developers now, like A&B, Grove Farm, and Gay & Robinson, and any other landholders that may be willing to enter into discussions for affordable housing. That is really all this does. Councilmember Chock.

Councilmember Chock: Thank you, Chair. I am supportive of this Resolution and I think it is a restatement of what we have wanted to do. I guess my only request would be to help us, the Council and the County, get to a priority list that we can start to vet to have choices on what the options for potential sites. I think that would help us get further or faster to the goals that we have. Thank you.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: It has been my experience in working with the Housing Agency over the last twenty (20) years that the way most housing projects happen is recognizing opportunity more than land. So right now, the opportunities that we have are a five-acre limited equity site in Po'ipū. The Courtyards at Waipouli, which are eighty-two (82) units that will expire in affordability in 2019, and the D.R. Horton project, which is underway, but as we all know, the first affordable housing that is going to be in the first increment is for the one hundred forty (140%) median income at four hundred thirty-five thousand dollars (\$435,000) a house, which is not going to meet the greatest need. So I am thinking that we should offer some money to D.R. Horton and be able to piggyback

on that development and provide some housing immediately. In this business, time is of the essence. We can produce one thousand (1,000) units in the next twenty (20) years, but that is not going to meet our goal because we need one thousand (1,000) units today. It is about leveraging whatever resources we have and the other leverage is our inclusionary zoning ordinance, which is Ordinance No. 860, which is a partnership between private development and government. One of those Ordinance No. 860 developments that are coming forth is the Coco Palms housing requirement. That is where we do get land in housing and that is the ordinance that we are working on right now to make it more effective in accelerating affordable housing, which I hope will come up shortly.

Council Chair Rapozo:

Thank you. Councilmember Hooser.

Councilmember Hooser: I think the Resolution is great, but as has been mentioned, there are other things we can do and this is a good opportunity to have that discussion. We talk about negotiating and looking for land. Personally, what frustrates me is driving by entitled land in Līhu'e, which has been sitting there forever and they have their entitlements, and the developers or landowners, for whatever reason, have chosen not to add inventory. These are prime places that should be developed, in my opinion, so I would encourage the County, the Housing Agency specifically, and the Administration, to talk to those landowners. We have "carrots and sticks." We can offer to buy that land, offer to negotiate density on that land, offer to negotiate other aspects of development, or we can raise property taxes or provide other sticks or disincentives to set on entitled land in areas that are serviced by other infrastructure and are close to job centers that need to be developed for local people, rather than land banking it. Landowners, when they get their entitlements to change agriculture to urban land, they come in and say, "We need housing. We need this and we need that. Please, change this land from Agriculture to R-4 or R-6," and then for them not to develop it, I think, is a disservice at the minimum to the community. I think we should be more aggressive with that. Again, "carrots and sticks," if there are any additional incentives that can help. There are many, many parcels that have entitlements that are sitting in areas with adequate infrastructure; even if it is market housing in areas where local residents live, it would add inventory and help with our affordable housing needs as well. I would like to see us move forward with that discussion in the future, too. Thank you.

Council Chair Rapozo: It would be interesting to find out how many projects fit into that where they got the entitlement, got the change in the zoning, and construction has not begun. I know we have put on some deadlines or where construction would have to be started, but I know prior in the olden days that that never happened, so it would be interesting to get a list of all of that for a future agenda item. Thank you. Any other discussion on this Resolution? Councilmember Kaneshiro.

Councilmember Kaneshiro: I guess I should just share that it is not only the County that the developers need help from; it is also the State, and I can speak for experience that some of the projects that are out there, you have to do road improvements or pay the State certain amounts of money and sometimes it just does not make sense to do it or you cannot get an agreement. It takes effort from everyone, the State, the County, and developers—everyone to try to make something work. I do not know how you force people to do it. There are regulations, things you need to go through, and process. It is just hard.

Council Chair Rapozo:

Councilmember Hooser.

Councilmember Hooser: I think this would be a good discussion to have. I see Councilmember Chock over there and one of his favorite words is “collaboration.” If good people with like-minded goals get together, things can happen. So if the property owner/developer can sit down with the State, the County, the community, our Mayor, the Governor, our representatives, and our Council gets together and says, “What can with we do? We have a serious issue.” Perhaps, we have a willing landowner or willing developer, but just needs some support in certain areas. Perhaps, we can make something happen. Again, I think the leadership on that would have to come from the Administration and the Housing Agency. We could certainly support that as a Council, I think, collaboration. Thank you.

Council Chair Rapozo:  
Kagawa.

Thank you. Anyone else? Councilmember

Councilmember Kagawa: Thank you, Chair. Along those lines, I have never seen any Council in recent memory, or even distant memory, that has denied an opportunity for affordable housing alternatives that are proposed by the Administration. I think we are open to that door, but the Council is not made up of developers or experts in developing properties; it has to come from the experts first and that is how you work it out. Sure, collaboration is good, but I do not think we can expect this body here to set the direction of what affordable housing opportunities or priorities and set the direction without the Administration coming forth with the plan and wanting to do it. We can bring up all of the hypotheses that we have on affordable housing, and if the Planning Department and the Housing Agency is not supportive of it, then it is never going to happen. So I think it is collaboration, but on the same token, I do not think it is the Council’s job or their expertise to set the direction for affordable housing. I think it needs to come from the experts and the Administration. We cannot be micromanagers in everything. Thank you.

Council Chair Rapozo: Thank you. That is what this Resolution really does; it basically shares our policy statement, our position, with the Administration, urging them, like former mayor Bryan Baptiste did, to start negotiating with landowners to try to secure some land. Mayor Baptiste was very passionate about that and he was able to secure a very, very good deal. That is all this does, basically asking the Administration to look for these opportunities so that we can move forward. Of course, the Council has the ultimate say of whether or not we get it or not, but at least to start looking. Because if we just keep waiting for some magical kingdom to fall from the sky and it be all affordable units, that is not going to happen. As long as we start scrutinizing and being really critical on developers or developments, it is going to be very difficult to extract units from developers that choose not to come. Former Councilmember Kaipō Asing said many, many years ago when we were discussing housing policy, and I remember Kaipō was the Chair, and he said, "You folks better be careful, because you folks are going to be so tough on developers that you are not going to have development, and then you are not going to have any kind of houses." Maybe that is not a bad thing, but if we are not going to depend or rely on the developers...if we say no to development, we are basically saying no to any kind of extractions or any kind of affordable housing units from them, then we better be prepared to fill that gap using County resources. It is a double-edged sword in one sense, but I will never forget those words from Chair Asing and that is what has occurred. A lot of developers do not even want to come to this island because of the exactions that we require. It is just a lose-lose, "We are not going to make money," and that is really what this is all about. Again, this is just saying that we believe we should start banking land for later use. If we find opportunities where you can actually turn a development over and open those doors for affordable units then obviously we should take that. This is more so we have an inventory of land that we can utilize. With that, any further discussion? Seeing none, roll call.

The motion for adoption of Resolution No. 2016-54, as amended to Resolution No. 2016-54, Draft 1, was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualī'i, Yukimura, Rapozo	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Next item, please.

BILL FOR FIRST READING:

Proposed Draft Bill (No. 2636) – A BILL FOR AN ORDINANCE AMENDING SUBSECTION 8-15.1(d)(7), KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO ADDITIONAL DWELLING UNITS (*County of Kaua'i, Applicant*): Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2636) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 21, 2016, and referred to the Planning Committee, seconded by Councilmember Yukimura.

Council Chair Rapozo:

Any discussion? Go ahead.

Councilmember Kagawa: The reason why we are here is that if you read the Planning Commission minutes, the public that were entitled to apply for the extension had two (2) months by the time it was approved to get their agricultural extensions in. We currently have nine (9) cases in contested hearings and nine (9) people out of the list of four hundred (400) or so basically had missed and now are contesting that for some reason, and we have seen various reasons like, "My father was sick and ill and we are taking care of him," and there have been other reasons like some just did not even know. So now we have this December 30 deadline, I am wondering if that is adequate because by the time this gets approved, if it does, we will still be at two (2) months and is two (2) months sufficient. The other problem with that is that the Planning Commission already decided that the December 30 date is fair, so I think changing it would be another substantial change. In essence, what I am saying is that I hope all of us here and on the other side, the Administration, can do a better job. I do not know if the nine (9) is the extent of the list that we are missing or is there going to be another nine (9) that comes up next year and how fair is that as well? I am just a little concerned about that, that it took kind of a while for us to get it back. I know Mike folks did it as soon as they could, but our process takes a month and a half. In hindsight, I wished that we maybe gave about four (4) months at least. Anyway, those are some of my concerns right now, but I will be supporting this on first reading. Thank you.

Council Chair Rapozo:

Councilmember Chock.

Councilmember Chock: I think the opportunity to mitigate some of the current appeals is a good direction for us for time and money. I kind of had the same concern about the timing as well, but I think we are doing this because we see a specific need for a group that feels like they have not been treated equally. We can only do so much over time. We have kind of gone through this iteration a couple of times already, so I am comfortable moving it forward as fast as we can.

Council Chair Rapozo:

Councilmember Yukimura.

Councilmember Yukimura: Can we have the Planning Director up, please?

Council Chair Rapozo: Yes. I will suspend the rules with no objections.

There being no objections, the rules were suspended.

Mr. Dahilig: Good afternoon, Councilmembers. Mike Dahilig, for the record.

Councilmember Yukimura: Thank you, Mike, for coming back.

Mr. Dahilig: Surely.

Councilmember Yukimura: And for sending this Bill to us. Just to make sure that I have the whole picture, we do not know what the total number of claimants are on the Additional Dwelling Units (ADUs) that got certified, I guess. Or do we have the total number of ADUs that were?

Mr. Dahilig: We issued two hundred thirteen (213) certificates during the last round.

Councilmember Yukimura: Those were the renewals.

Mr. Dahilig: Yes.

Councilmember Yukimura: But the originals?

Mr. Dahilig: No, we do not.

Councilmember Yukimura: We do not know the number of originals that went out?

Mr. Dahilig: Because the program had shifted between our department and the Department of Public Works historically, and how the form was created, there was not, I guess, a "Habemus Papam" moment where the white smoke comes up and says, "Now your certificate is done." It was when you actually went and had the last agency in one of your blanks actually sign off and say, "Okay, you have all of your signatures." There was no agency at the very end and initially that actually cataloged the completed certificates. That is why when the jurisdiction was transferred over to our department, the form was adjusted so that we were the last signatures. That is the reason why in previous discussions about this program,



I have not been able to guarantee the Council the universe of forms that are out there because of that transfer of jurisdiction.

Councilmember Yukimura: Okay. You are talking about the original certification.

Mr. Dahilig: Yes.

Councilmember Yukimura: What is your estimation of how many might step forward to recertify if we pass this extension of time?

Mr. Dahilig: It would be in the order of dozens. The last estimate I gave the Council when we first were before you on the previous law was in the order of hundreds. It came in on the low-end. So because of what we have seen as inquiries and my presumption that a lot of people have already availed themselves of the previous process, that we are looking at something in the order of, at the most, dozens versus hundreds.

Councilmember Yukimura: Dozens meaning twelve (12) to twenty-four (24)?

Mr. Dahilig: Again, in my perception of the process and how people came in, we are not going to see another two hundred thirteen (213) come through the doors again. I think I feel confident in saying that. But given what we have seen so far and given the nine (9) active and pending potential contested-case hearings in front of us, and then with people that have periodically called our office or tried to apply and used their ADU certificate that was not recertified, I would say is in the order of dozens.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Any other questions for the Planning Director? If not, thank you very much.

Mr. Dahilig: Thank you, Chair.

Council Chair Rapozo: While the rules are suspended, let me ask if there is anyone in the audience wishing to testify. If not, I will call the meeting back to order. Further discussion? Councilmember Kagawa.

There being no objections, the meeting was called to order, and proceeded as follows:

Councilmember Kagawa: Thank you, Mr. Chair. I would like to thank the Planning Director and the Planning Commission for considering the request from me that came from constituents out there who felt that this would provide some family housing at an affordable rate for their families that honestly just missed the date. They did not ignore the date or disregard the County law; they just simply either did not know or had other priorities in their lives that made them miss it now. Having said that, the difficult part is how many times are we going to keep extending? I do not think it is prudent for us to keep extending, so I hope that we can do the education so that we can clear out everyone this time that are intending to use their homes at some point in time for their family or what have you. I would like to thank the Planning Commission. A lot of times, we talk about a lot of them are laypeople and they do not really vet the items properly, but if you read the minutes just here on this issue, they asked great questions, and certainly you can see that the Planning Commission right now functioned well and asked the proper questions. I want to thank the Planning Commission and the Planning Director. From just this item here, I have a lot of respect for the job that they are doing. Thank you, Chair.

Council Chair Rapozo: Thank you. Anyone else? If not, the motion is to approve.

The motion for passage of Proposed Draft Bill (No. 2636) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 21, 2016, and referred to the Planning Committee was then put, and carried by the following vote:

FOR PASSAGE:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura, Rapozo	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Okay. Next item.

Ms. Fountain-Tanigawa: Chair, this takes us to page 3, Executive Session.

#### EXECUTIVE SESSION:

ES-865 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to

provide the Council with a briefing regarding the claim filed against the County of Kaua'i by Randal Miyashiro of Kalani Construction, Inc. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-866 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council, to provide the Council with a briefing and request authority for a possible settlement proposal in a claim filed by DTRIC Insurance as subrogee of Cale Akana and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Councilmember Kaneshiro moved to convene in Executive Session for ES-865 and ES-866, seconded by Councilmember Chock, and carried by the following vote:

FOR EXECUTIVE SESSION:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura, Rapozo	TOTAL – 7,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Chair Rapozo: That concludes today's meeting. Thank you all. Meeting adjourned.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 2:21 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA  
County Clerk

(August 17, 2016)

FLOOR AMENDMENT

Resolution No. 2016-54, Resolution Reaffirming Council Policy To Acquire Land For The Development Of Affordable Housing

Introduced By: JOANN A. YUKIMURA

Amend Resolution No. 2016-54, in its entirety, to read as follows:

“WHEREAS, Resolution No. 2004-44, Draft 1, was adopted by the Kaua‘i County Council in 2004 to establish a Council policy to acquire land for the development of affordable housing; and

WHEREAS, since 2004, the average price of a single family home on Kaua‘i has increased from \$506,500 to \$600,000 as of June 2016; and

WHEREAS, due to the increase in housing prices, many of Kaua‘i’s families cannot afford to purchase a home; and

WHEREAS, the 2011 Hawai‘i Housing Policy Study stated that a shortage of affordable ownership and rental units on Kaua‘i will result in a need of approximately 925 units in the 0-80% United States Department of Housing and Urban Development (HUD) median income range, 167 units in the 80-120% HUD median income range, and 116 units in the 120-180% HUD median income range by the year 2016; and

WHEREAS, through efforts of the County of Kaua‘i Housing Agency and private developers from 2004 to 2016, there have been 315 affordable multi-family rental units developed and 203 multi-family and single family ownership units developed on Kaua‘i; and

WHEREAS, the County of Kaua‘i cannot only depend on private developers to solve the affordable housing crisis; and

WHEREAS, the Kaua‘i County Council and the Administration [needs] need to take an active and aggressive role in the development of affordable housing; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUA‘I, STATE OF HAWAII, that the [Council] County work to acquire land, through condemnation if necessary, for the development of affordable housing.

BE IT FURTHER RESOLVED, that the County of Kaua‘i identify parcels that are 15 acres or less in size, and are in close proximity to infrastructure and jobs so as to minimize development [cost] and household transportation costs and traffic.

BE IT FURTHER RESOLVED, that the County of Kaua‘i pursue available financing mechanisms (tax exempt bonds, revenue bonds, State funding, Federal funding (United States Department of Agriculture (USDA) – Rural Development), etc.) to develop affordable housing for residents on Kaua‘i.

BE IT FURTHER RESOLVED, that the County of Kaua'i work in partnership with private non-profit organizations when feasible, to acquire land and develop [these] the needed affordable housing units.

BE IT FURTHER RESOLVED, that the Kaua'i County Council and the County Housing Agency work together to develop "affordable housing incentives" (housing credits, etc.) that will encourage private landowners to participate with the County in addressing this critical social problem.

BE IT FURTHER RESOLVED, that the sellers of land acquired for affordable housing projects by the County will not be subject to the one-time subdivision rule[.] regulating the subdivision of agricultural lands.

BE IT FURTHER RESOLVED, that the affordable housing units are intended for long-term ownership and will [have imposed a 30-year] be subject to long-term buy-back [provision.] provisions.

BE IT FURTHER RESOLVED, once purchased, parcels of land that cannot be immediately developed will be "land banked" by the County for future affordable housing development.

BE IT FURTHER RESOLVED, that the Council supports the County Housing [Agency] Agency's work to proactively [to] acquire land and develop affordable housing on Kaua'i.

BE IT FINALLY RESOLVED, that copies of this Resolution be transmitted to Mayor Bernard P. Carvalho, Jr., Kanani Fu, Housing Director, and Michael A. Dahilig, Planning Director."

(Material to be deleted is bracketed. New material is underscored.)

V:\AMENDMENTS\2016\08-17-16 Reso 2016-54 Housing Amendment Yukimura YS:aa